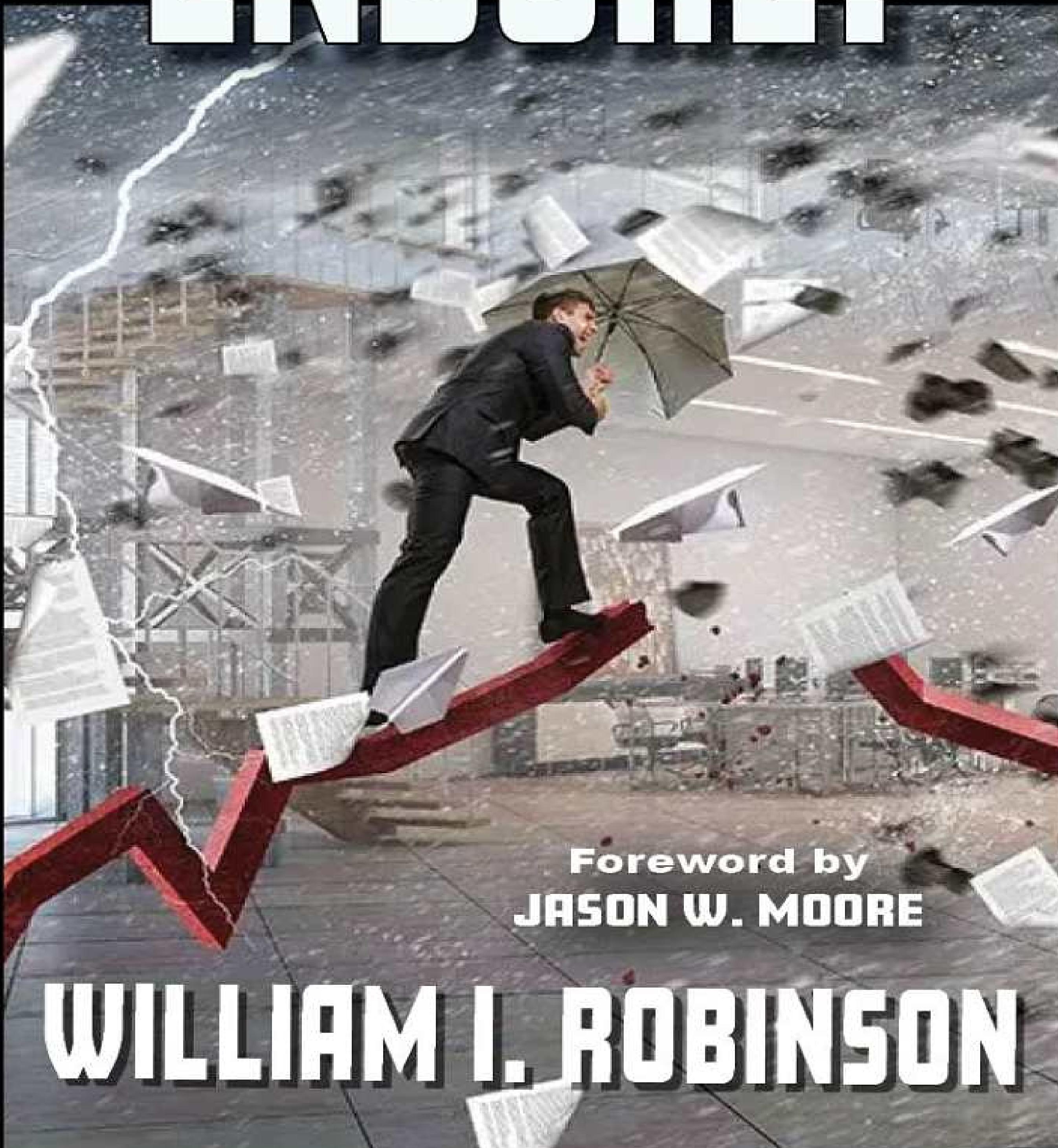
CAN GLOBAL CAPITALISM ENDURE?



Foreword by
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FOREWORD

Global Capitalism in the Great Implosion: From Planetary Superexploitation to Planetary Socialism?

Jason W. Moore

Every paragraph of *Can Global Capitalism Endure?* sizzles with insights. Here is William I. Robinson at his best: empirically sensitive, theoretically original, politically committed. Global Capitalism, in this groundbreaking formulation, is no amalgamation: "global" plus "capitalism." It identifies, rather, an emergent and profoundly unstable phase of capitalism—hence the upper-case—growing out of neoliberalism's gruesome contradictions.

This book unfolds a world-historical trinity: *globalization, financialization and digitalization*. Robinson charts these in their shifting configurations of the ongoing overaccumulation crisis, the worldwide class struggle, and Biospheric tipping points. Grasping these moments as mutually formative, he achieves the near-impossible: a lucid primer on the great fractures of capital, class, and political power while elaborating an original theory of capitalist crisis. This interpretation presages capitalism's possible transformation from a world-economy of many competing states and capitalist blocs into a tributary civilization governed by a relatively unified gang of oligarchs. Of course, Robinson understands this dynamic as a tendency, not a done deal. Global Capitalism forms through and creates counter-tendencies—not least the potential emergence of working-class internationalisms. He explores the contradictions faced by the global bourgeoisie in its attempt to morph into a transnational capitalist class (TCC), whose runaway financialization—reinforced by militarized accumulation—renders it unable (or perhaps unwilling?) to re-establish the conditions for another capitalist golden age.

Two themes shape this question. One is Global Capitalism's ascendancy since 2008 and the Great Recession. Here we see a hyper-financialized TCC and its incipient transnational state apparatuses (TNS) maturing. Global Capitalism's financialization is distinguished by an unusually predatory relation to non-financial capitalist firms—along with the rest of life. In my reading, this predatory movement represents the world-historical crystallization of hedge-fund-style asset stripping—a development whose implications are underappreciated. The second theme extends beyond conventional political economy. Here, the dialectics of class and capital are joined to a penetrating recognition of capitalism *in the overall web of life*. Capitalism's epochal crisis is a unified crisis of life-making[1] and profit-making. This is the essence of what I've called the world-ecology conversation.[2] Broadly defined, this conversation is a political and intellectual effort to rethink capitalism, socialism, and planetary justice through capitalism's evolving relations of power, profit and life—historically, and in the present crisis.

Can Global Capitalism endure? Probably not. As Robinson illustrates, the ongoing breakdown of the five-century capital accumulation model is at once producer and product of a novel political project pursued by a critical fraction of the imperialist bourgeoisie—the TCC. Let's call it the Davos Project, after the annual meetings of the planet's oligarchs in the Swiss resort village. This Project aims at a political resolution to capitalism's twofold crisis of profit-making and life-making. It is an unsavory cocktail of green techno-authoritarianism, totalizing surveillance, the financialization of everything, and regime change imperialism. In polite company, this is called the Great Reset.[3] It is a program oriented towards a tributary way out of capitalism's epochal crisis—*tributary* in the sense that political power would determine the new civilization's relations of production. While many features of capitalism would persist, the accumulation of socioecological wealth would be definitively guaranteed by something resembling what Robinson refers to in the abstract as TNS apparatuses.

Would this be more or less dystopian—or just different—from historical capitalism? One thing can be certain. The tendency towards militarized accumulation that Robinson discusses and its gravitational

influence in world accumulation has accelerated in recent decades. Since the 1970s, the expansion of a permanent war economy—including America's Forever Wars—has gone hand-in-hand with a pathological and predatory financialization. They've gone together because debt collection is, and always has been, a dirty business. Both signal the historical exhaustion of the conditions for capitalist renewal. Both are fundamental to the tributary ambitions of the Davos Project and its Great Reset.

What underpins this epochal crisis? The crux of the matter is the problem of surplus capital—"surplus" relative to the opportunities for profitable reinvestment (without which, capital as such does not exist.) While Marxists debate its specific dynamics, everyone agrees this is the basic problem. Capitalism's dynamism is such that Mr. Moneybags accumulates wealth beyond what can be reinvested—or even spent. (Some of this can be spent on private islands and super yachts. But only some.) Capital's real basis—even and especially highly abstract forms of wealth like cryptocurrencies—remains dependent upon very material worlds: claims upon anticipated wealth flowing from what Marx called "the soil and the worker."[4] If new investment opportunities—relative to the rising mass of capital—do not materialize, crises of variable severity follow.

These various cycles correspond to the severity of the surplus capital problem. This is the difference between business cycle recessions and Great Depressions. Today, the problem is similar, yet different. The surplus capital problem asserts itself in increasingly intractable forms. As Robinson reminds us, financialization is always bound to the "real economy." The proliferation of fictitious financialization amplifies non-productive claims on the anticipated flows of real wealth derived from "the soil and the worker." But there are limits on these anticipated flows, and Robinson illuminates them. Financial capitalism's totalizing fantasy runs aground on the shoals of simmering class revolt and overaccumulation, which this time around—in contrast to previous eras of systemic crisis—cannot be attenuated by further rounds of primitive accumulation and commodification. The enclosure of capitalism's last great frontiers of Cheap Nature since the 1970s has removed the indispensable way that empires have resolved overaccumulation crises. Simply put, globalization has rendered a whole series of unprofitable investments profitable, such that

a new working class that can labor at five cents on the dollar of workers in the imperialist centers—or $20/barrel oil equivalents.

Previous eras of financialization—from the Age of the Genoese after 1557 to the Washington Consensus after 1971—brought not only "new" imperialisms but "new" industrializations. Recent world history has diverged from this pattern. The decade since the end of the Great Recession reveals no such scientific-technological revolution in the making. The material surplus continues to expand, but very slowly; meanwhile, as Robinson shows, fictitious claims on that surplus have grown exponentially. The social shortfall—so far—has been reflected in skyrocketing inequality. This essentially Robin Hood in reverse strategy—rob from the poor, give to the rich—is an unstable conjuncture, to date underwritten by two developments that Robinson discusses: the worldwide defeat of the proletarian forces, and the unprecedented flows of cheap money in the form of historically-low interest rates.

One lesson from the study of twentieth-century social revolutions becomes relevant at this point. When ruling classes are unable to launch a new regime of accumulation that expands the economic surplus, a zero-sum situation emerges. Increasingly militant social movements materialize, and increasingly brutal and dystopian counter-insurgency methods are deployed by ruling classes. This is one of the plot lines of Naomi Klein's well-known account of the "shock doctrine" and resurgent primitive accumulation.[5] Capitalists did not hesitate to use the bloodiest methods to appropriate capital and redistribute wealth. This was not new; the reluctance to reinvest capital to launch a new economic expansion *was*.

On the other hand, these capitalists did distribute some share of their expanded slice of the surplus pie to buy off white collar workers. These were sometimes (misleadingly!) called the "new" middle classes. Since the 1970s, this white-collar stratum has often aligned with big capital and big empire to support tendencies, as Robinson underscores, towards a global police state. Even here the class contradictions have accelerated and deepened. White collar strata have been progressively rendered surplus to capital's requirements, in the process discovering their real class position, if not always their real class interests. One danger is that they may align with

the ethno-nationalist right against the TCC. A more hopeful possibility is found in teacher- and nurse-led social movement unionism.

Financialization, white collar downsizing, and the globalization of production based on superexploited labor has disoriented the world Left and —at least for now—undermined the proletarian internationalism necessary to confront the transnational bourgeoisie. Any reforms that might significantly redistribute wealth and power—sufficient to revive investment and profitability even over the short-run—are likely to be met with a ferocious response from the overseers and fellow travelers of the Davos Project: witness the very long history of US-led regime change politics in Latin America, typically in response to quite modest programs of nationalist development. One scarcely needs more than a passing familiarity with recent American foreign policy to see the globalization of this practice, apace with financialization and the ongoing formation of a transnational (yet for now US-anchored) bourgeoisie.

In short, the rise of a TCC is bound up with the final enclosures of Cheap Nature. These enclosures signal the exhaustion of the Four Cheaps—cheap labor, food, energy, and raw materials—that have been necessary to resolving overaccumulation crises since 1557. This explains the double stagnation of productivity growth and profitability, and the onset of hyper-financialization and dirty wars. As the ecological surplus stagnates, the great powers set about preparing for what Lenin once called wars of redivision. The Davos Project is an effort to resolve the contradiction, given the absence of the possibility of renewed frontier-making.

All of which suggests that we are living through an epochal crisis of capitalism. The *longue durée* pattern of crisis resolution is broken because its underlying conditions of reproduction are exhausted. The Great Frontier at the heart of this pattern opened through early capitalism's slaving-finance-gunpowder revolution. From its earliest movements, modern empires went on to convene a civilizing project that reduced most humans —along with soils and streams, forests and fields—to the status of Nature. In that orientation, Nature is a violent and ruling abstraction, attached to everyone and everything that the bourgeoisie needed… but for which it refused to pay. Ideologically speaking, that Nature was the handmaiden of

superexploitation and superprofits. Now, in the hands of the Davos Project, it will justify green austerity and "scientific" authoritarianism.[6]

This is the strategy of Cheap Nature. It joins politically imposed cost-reduction to geocultural dynamics of devaluation. Thus, the "civilizing project," in producing bourgeois naturalism, justified the world color line and globalizing patriarchy accordingly: European women became "domestics," Africans became "unhappy savages,"[7] the Irish "wild," New World peoples "soulless heathens." Nature became a bourgeois fetish, a ruling abstraction. It became everything the bourgeoisie did not wish to pay for.[8] The more pivotal and strategic a given form of labor mobilization was to capitalism, the more that those specific workers were devalued under the sign of Nature. Hence the direct reproducers of labor-power (female bodies) and the direct producers of strategic commodities (African slaves) had to be forcibly Naturalized—the better to enable their lives and labors to be cheapened.

This dynamic of *superexploitation*—expressed through ideologies of Prometheanism (man over nature), sexism (man over woman), and racism (white over not-white)—has been central to recurrent waves of cheapening since 1492. Each ideological formation has been entangled with new imperialisms and new industrializations—respectively recreating and consuming the Four Cheaps across the history of capitalism. This was the world-historical achievement, most recently, of the Washington Consensus and capitalist globalization. Its enclosures enabled the revival of profitability after 1983. Yet as Robinson discusses, Cheap Nature's ongoing demise is far from linear. Capitalism's dynamism produces an overaccumulation problem of unprecedented proportions. Tellingly, both natural and social scientists have warned of escalating volatility and fragility in both the Biosphere and the world's financial architecture. (Few have dialectically integrated the two questions.) For earth-system scientists, the biosphere is experiencing a "state shift"—abrupt, irreversible, fundamental.[9] In such moments, "smooth change can be interrupted by sudden drastic switches to a contrasting state."[10] Political economists use different language, but among heterodox observers the consensus is definite: the contradictions that detonated the Great Recession and the ongoing economic crisis that Robinson dissects, not only remain but have

been amplified. "Sudden drastic switches to a contrasting state" can be seen everywhere. The underlying unity of these two moments, economic and ecological, is rarely grasped—even less so, are their political and geopolitical implications.

We are living through the Great Stagnation.[11] It is the calm before the storm. The state shift in the capitalist world-ecology is approaching but has not yet arrived. It signals capitalism's epochal crisis, originating in an earlier epochal crisis.

Capitalism's ecocidal unity of profit-making and environment-making took shape during two great moments of the Little Ice Age (1300-1850), as I and others have discussed elsewhere.[12] Unfavorable moments of climate change in the history of capitalism—in the past too cold, today too hot—have been moments of economic instability and political volatility, and not just in the history of capitalism. Notwithstanding neo-Malthusian narratives, such climate shifts have brought questions of social equality and even social justice to the center of historical change. Indeed, capitalism was a geological force from birth. After 1492, the slaving-induced genocides in the Americas significantly decarbonized the atmosphere, amplifying the era's natural forcing to produce a long, cold seventeenth century of capitalist advance. These were climate conditions broadly similar to those that contributed to sealing feudalism's fate two centuries earlier. But capitalism did not given way to a new imperium. Instead, aggressive financialization, an imperialist military revolution, and a dramatic industrialization in the colonies around silver and sugar came to the rescue in centuries past. Frontier-making, delivering by coercive means the Four Cheaps, saved the day.

Far from being narrowly economic and ecological, this movement was also deeply political and geocultural. Out of this first *capitalogenic* ("made by capital") climate crisis emerged a violent and exploitative trinity: the climate class divide, climate apartheid,[13] and climate patriarchy, this latter in reference to a structure of appropriating women's unpaid work within capitalism, a process that initially took shape during the climate crisis of the long, cold seventeenth century. That trinity is not the *result* of today's climate crisis. It's the cause. A specifically capitalist historical Nature was born, and its epoch-making service to world accumulation was

to reduce capital's re/production costs—to resolve, in other words, the surplus capital problem through new waves of frontier expansion, and in so doing create the conditions for a new industrialization. Today we are witnessing Cheap Nature's implosion—and the exhaustion of the modern relations that propelled capital accumulation across the centuries. The web of life is rapidly moving from a source of Cheapness to an inescapable vector of rising costs. The "Biotariat"[14] that rising share of extra-human life put to work by capital and empire, is in open revolt. This Great Implosion is visible on the horizon.

Its three greatest signals are the over-accumulation problem, the end of capitalism's agricultural revolution model, and the exhaustion of the industrial revolution dynamic.[15] We may consider these briefly in their respective turns. First is the secular decline of profitability, as Robinson discusses. The world rate of profit has been falling since the 1870s. It's been temporarily counteracted at various junctures, yet the mass of accumulated capital continues to grow without a corresponding expansion of profitable investment opportunities. The result is a rentier capitalism increasingly reliant on state power to secure its reproduction. Robinson's theory of global capitalism speaks directly to the possibilities for the systemwide generalization of this "too big to fail" racket. Second, climate change has broken the back of capitalism's agricultural revolution model. The model was simple enough: produce more and more food with less and less labor-time. Every agricultural revolution, from the sixteenth-century Dutch to twentieth-century Green Revolutions, required new, vast frontiers, fertile landscapes untouched by capital. Those frontiers have been enclosed and exhausted, or as Robinson see is, marks the end of world capitalism's "extensive expansion." To date, biotechnology—central to the digital revolution that Robinson analyzes—has yet to counteract faltering productivity growth. Third, capitalism's industrial revolution model is also on its way out. As with agricultural revolutions, the model is simple: produce more and more commodities with less and less labor-time. Notwithstanding periodic bouts of automation euphoria since the 1970s, labor productivity has slowed—and continues to slow—dramatically.

The more the Great Frontier closes, the more the overaccumulation problem intensifies, and the greater the One Percent's desperate

mobilizations: more financialization, more surveillance, more coercion. All reinforce the capitalogenic trinity: the climate class divide, climate apartheid, and climate patriarchy. Under cover of the Anthropocene, the deepening biospheric crisis will be seized upon by Davos Project to pursue its tributary ambitions under the sign of "Saving Nature." In this sense, the Great Implosion is also a Great Involution—as capital's contradictions turn inwards, yielding an unprecedented onslaught of toxification and violence. (Border militarization is an early indicator of this turn.) The Great Frontier, in other words, provided the socio-ecological basis for Gramsci's dialectic of coercion and consent—since a modest layer of the world proletariat could be promised a prosperous future. Those days are now gone.

This fateful conjuncture—an epochal crisis of capitalism—directs us, as ever, to revisit Marx's dialectical imagination. Marx's genius joined the economic analysis of accumulation crisis with the sociology of class. But he did not stop there. For Marx, class exploitation under capitalism—the struggle over surplus value—is irreducibly socio-ecological. Every moment of economic *valorization* depends upon ever more expansive moments of the *devaluation* and extra-economic appropriation of unpaid work/energy. Such *accumulation by appropriation* is fundamental to capital accumulation. Crucial to a socialist project is the understanding that accumulation by appropriation undergirds superexploitation, not least through the world color line and globalizing patriarchy—while not forgetting that these are class projects.

Devaluation is the geocultural logic of Cheap Nature. It is the ideological battleground of racism, sexism, and manifold oppressive dynamics that flow from Civilizing Projects. Too often the left has viewed webs of life from the standpoint of the planetary manager rather than as comrades in the struggle for planetary socialism. Although easily romanticized, grasping the web of life through the *oikieos*—the creative, generative, and multilayered pulse of life-making—asks us to reexamine human solidarity with and within webs of life. That solidarity is crucial to challenging bourgeois naturalism and the fantasies of Prometheanism—which in the final analysis is not about Man's domination of life, but *capital's* exploitation and appropriation of all workers, human and extra-human, paid and unpaid. It's no longer adequate to link *ecology* and

socialism. A greater synthesis is necessary if we are to abolishing capitalism's deadly dynamics of work, life, and power. Let's call it Planetary Socialism. This is the challenge of the planetary class struggle in the last days of the Holocene—and the first days of the Great Implosion.

Can Global Capitalism endure? Let us hope not! Neither the transnational bourgeoisie, nor its nationalist rivals, will go gently into the night. It is up to us to forge a vision—and praxis—of inter-nationalist socialism in the web of life. Robinson's book helps us to do just that.

PREFACE
A Planetary Crisis

Who can deny that global capitalism is in deep crisis? The global economy is mired in prolonged stagnation. Civil strife and social upheaval are tearing up political systems and, in some cases, leading to the collapse of states. The planetary ecosystem is breaking down. Millions are fleeing, displaced by climate change, transnational corporate land grabs, wars and political persecution. Hunger and disease are on the rise in many countries. The worldwide social fabric is in decay. The coronavirus contagion exposed governments, unable to cope with the fallout from the health emergency, as callous instruments of wealth and corruption. It is clear that the crisis is far more encompassing than its economic dimension alone; it is civilizational and existential. Yet the varied dimensions of this crisis of humanity have a common denominator: a socioeconomic system that relentlessly pursues private profit at all costs. The ruling groups appear clueless as to how to resolve the mounting crisis beyond ramping up a global police state to contain mounting unrest. This should come as no surprise. The political elites are beholden to the system of global capitalism that by its very nature places the endless accumulation of capital above all else.

I have been writing about global capitalist crisis since the turn of the century from the perspective of my theory of global capitalism as a qualitatively new stage in the ongoing and open-ended evolution of world capitalism, characterized above all by the rise of truly transnational capital and the integration of every country into a globally-integrated productive, financial and service system. The work before you is an attempt to provide a concise summary of this theory and to further advance the analysis of the crisis originally laid out in my 2014 book, *Global Capitalism and the Crisis of Humanity*. My aim is to present a "big picture" snapshot in a shorter

work and from the vantage point of global capitalism theory that takes into account some elements of global capitalism that have come further into focus in recent years, especially the ever-deeper financialization and digitalization of the global economy and society.

As the title indicates, it is not clear how far into the future global capitalism can endure. A collapse of world civilization cannot be ruled out. To the contrary, the current course of events is leading to just that. Indeed, there are plenty of historical cases of societal collapse, with the distinction this time that what we understand as society is now irreversibly global. These days it is not particularly controversial to observe that capitalism has outlived whatever usefulness it may once have had. But just because the system is now archaic does not mean that it cannot hang on well into the future. The survival of global capitalism beyond the present crisis requires a substantial restructuring involving a measure of transnational regulation of the global economy and a redistribution of wealth downward. Even at that, though, a new period of economic reactivation and prosperity will not bring to an end the threat to our survival. For that, we must do away with a system whose drive to accumulate capital puts it at war with the mass of humanity and with nature. Only an ecosocialism can ultimately lift us from the threat.

There is a vast literature on capitalist crisis and a rich history of debate among political economists, Marxists and non-Marxists alike. The theme of capitalist breakdown is recurrent in the social sciences, going back to the writings of Karl Marx in the second half of the nineteenth century and to the Polish-German socialist, Rosa Luxemburg, among others writing in the early twentieth century. The famed Austrian economist, Joseph Schumpeter, not a Marxist himself, titled one of the chapters in his celebrated 1942 study, *Capitalism, Socialism and Democracy*, "Can Capitalism Survive?" (He feared it could not).[16] The January 1, 1975 issue of *Time* magazine, published in the midst of the previous major crisis of world capitalism blared the same question on its front cover.[17] In that decade and subsequent to it, Marxists have reexamined the classical literature and hotly debated the nature of crises.[18] In particular, Marxist economists debate whether capitalism can expand indefinitely, and if

capitalist crises are caused by a fall in the rate of profit or by what is known as overproduction and underconsumption.

I indicate my position with respect to this debate in the first section of this work. However, I am as much or more concerned here, as elsewhere, with a sociological study that takes up the social, political, ideological and cultural dimensions of the crisis as I am with its specifically economic dimension. The entire edifice of a global capitalism in crisis rests on an intensification of exploitation and of control over the exploited, which is what makes all economics political and a matter of social and class struggle. The 2008 Great Recession triggered a veritable tsunami of mass rebellion around the world not seen in decades. Far from letting up, worldwide protest escalated throughout the coronavirus contagion. As humanity descends into global civil war, the ruling groups have utilized the pandemic to launch all-out class warfare aimed at an exponential increase in profit-making opportunities and at ramping up the social control of restive masses.[19]

All systems are in a perpetual state of motion, transformation, and eventual demise, whether through collapse or supersession. The challenge for radical political economy of the type I aspire to here is to capture the motion of structural change and to identify possible trajectories and outcomes that are always contingent on politics and class struggle. And the challenge for radical intellectuals is to contribute through theory and analysis to exposing the contradictions of the prevailing system as input into the burning struggles of our day. As I attempt to take up these challenges, several caveats apply. Our explorations of the world are always an open-ended process of clarification and revision. The account here is necessarily a simplification, as are all synopses of complex reality that attempt to present a "big picture" in such broad brushstrokes. Moreover, I have set out to both analyze the present and to speculate as to what the future may hold. This is an exploratory work with some of its arguments tentative in nature. As such, conclusions are preliminary. Indeed, I conclude with a set of open-ended questions whose answers I do not provide because I do not have them.

In the introduction of his magnus opus, *Capital*, Karl Marx famously cautioned that "there is no royal road to science, and only those who do not

dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits." There are a few dense passages in the present work that I have tried, with a limited degree of success, to make intelligible to an audience not versed in political economy. I recommend Hadas Their's *A People's Guide to Capitalism* to those readers who seek an eminently readable introduction to the political economy of capitalism.[20] In recent years there have been dozens, perhaps hundreds, of studies on the crisis that began with the 2008 global financial meltdown that build on over a century of literature from a Marxist perspective on capitalist crisis. Among those the reader may find useful is Michael Roberts' *The Long Depression*.[21] I have strived here to find a balance in which this short work is accessible to a general readership concerned with the urgent political affairs of our day yet also satisfying to scholars of global political economy. Both sets of readers will have to decide if I have achieved this goal.

William I. Robinson
Los Angeles
February 2022

Can Global Capitalism Endure?

I.
The Structural Dimension of Global Crisis

If the history of capitalism is one of never-ending transformation, crises often mark before-and-after turning points. The period from 2008, when the global financial system collapsed, into the third decade of the twenty-first century has been one long protracted crisis that, far from being resolved, became aggravated by the coronavirus pandemic. This crisis is as much economic, or structural, as it is political, or one of state legitimacy and capitalist hegemony.[22] It is also existential because of the danger of ecological collapse as well as the renewed threat of nuclear war, to which we must add the risk of future pandemics that may involve much deadlier microbes than coronaviruses. It is an *organic* crisis insofar as it is not static: it comes from deep within the contradictions of capitalist development and its multiple dimensions presuppose one another. Can global capitalism endure? Indeed, will humanity survive? These are, to be sure, two distinct questions. It is entirely possible that the system itself endures even as a majority of humanity faces desperate struggles for survival that lead many to perish in the coming years and decades.

Crises are endemic to capitalism. The entire 500-plus year history of world capitalism is marked by successive crises that have at their height shaken the system to its core. Each major crisis has involved predictions that the system would collapse in on itself in the face of intractable contradictions. Yet capitalism has repeatedly proved to be more resilient and adaptable than its doomsday forecasters. As we shall explore in this short work, the system has been undergoing a new round of restructuring and transformation since the financial collapse of 2008, based on a much more advanced digitalization of the entire global economy and society. The

coronavirus contagion has turbo-charged these transformations and also allowed the ruling groups to ramp up their surveillance and control of restive populations.[23] The agents of global capitalism are now attempting to purchase a new lease on life for the system through this digital restructuring and through reforms that some among the global elite are advocating in the face of mass pressures from below. If some regulatory or redistributive reform actually comes to pass, restructuring *may*—depending on the play of social and class forces—unleash a new round of productive expansion that attenuates the crisis. In the long run, however, it is difficult to see how global capitalism can continue to reproduce itself without a much more profound overhaul than is currently on the horizon, if not the outright overthrow of the system.

In the history of capitalism there have been periodic crises of two types, cyclical and structural. Cyclical crises, sometimes called the business cycle, occur about once a decade and show up as recessions. There were recessions in the early 1980s, the early 1990s, and at the turn of the twenty-first century. World capitalism has experienced over the past two centuries several episodes of structural crisis, or what I call restructuring crises, so-called because the resolution of such crises requires a major restructuring of the system. Here "resolution" means displacement in time and space through restructuring that paves the way for a new burst of sustained accumulation and outward expansion after a period of stagnation and malaise. Eventually the underlying contradictions of the system build up and erupt into new crises, often triggered by a precipitating event, such as the bursting of a speculative bubble or a political watershed moment.

The first Great Depression from the 1870s into the 1890s led to the great wave of late nineteenth century imperialism, the rise of powerful national corporations, and ultimately to the First World War and the Bolshevik Revolution. The Great Depression in the 1930s sparked intense worldwide class struggles and political upheavals, bringing in their wake fascism, the Second World War, and eventually the consolidation of a new model of redistributive or regulated capitalism. Known as the New Deal in the United States and elsewhere as social democracy, what we can call more technically Fordist-Keynesian capitalism established the basis for the post-WWII boom, the so-called golden age of capitalism. Fordism refers to

the system of standardized mass production and mass consumption introduced originally by Henry Ford. Keynesianism refers to the economic doctrine of John Maynard Keynes, who had broken with the assumptions of classical economic theory that the natural state of the economy was an equilibrium so long as market forces were allowed to operate unimpeded. Instead, he argued, the state had to intervene to regulate the market and generate aggregate demand through credit and employment creation, progressive taxation, and government spending on public works and social programs. The two combined—Fordism and Keynesianism—involved regulation and redistribution in what came to be considered a "class compromise," mediated by the state, between the working classes and capital.[24]

Structural crisis hit again in the 1970s, characterized this time by "stagflation," or the combination of stagnation and inflation. The Fordist-Keynesian "class compromise" was imposed on capital through decades of intense worldwide class and social struggles and the devastation of two world wars. But eventually, redistribution and regulation cut into capitalist power. As stagnation set in, the working and popular classes in each nation-state resisted the effort by capitalists and governments to place the burden of the crisis on their shoulders.[25] As class struggle intensified, capitalists and bureaucratic elites from around the world strove to beat back the power of organized labor, radical social movements, and Third World liberation struggles. Capitalists turned to leveraging globalization as a strategy to undercut the power that working and popular classes could exercise within the state; to break free of state constraints to its freedom to accumulate. At its core, globalization is class warfare from above: capital's drive to revert the global correlation of class and social forces to its advantage.

As capital went global, a transnational capitalist class (TCC) emerged in the late twentieth century, forged out of the transnational integration of the leading sectors among national capitalist classes, and consisting of the owners and managers of the giant transnational corporations and financial conglomerates that now drive the global economy.[26] Globalization allowed this TCC and its political and bureaucratic agents in states and international agencies to dismantle diverse forms of redistributive or social democratic capitalism and to restore the class power of capital by reorganizing the

worldwide circuits of accumulation. This restructuring process has involved above all the rise of a globally integrated production, financial and service system into which every country has been integrated. Global trade as a share of global output jumped from 30 percent in 1970 to 60 percent in the early 2010s.[27] But this trade was less in finished goods than in the movement of intermediate goods through numerous nodes in global supply and production chains—a functional integration in which intermediate goods accounted for nearly 60 percent of all trade by the 2010s.[28] Hence, unlike the situation in earlier structural crises, in this age of global capitalism the world economy is now inextricably integrated and functions as a single unit in real time.

The global fragmentation and decentralization of production and finance around the world brought about by globalization has been marked by the inverse centralization of command and control in a handful of ever more powerful transnational corporations and financial conglomerates at the command of the TCC. As we shall see momentarily, the current crisis is set apart from all earlier ones insofar as it is internal to global capitalism as a whole. National withdrawal from the global economy is entirely out of the question, as are "national" solutions to the global crisis. Liberation from the nation-state may have enhanced the structural power of capital over working and popular classes struggling within the bounds of the nation-state. But at the same time, globalization has ended up exacerbating the underlying contradictions of capitalism. Moreover, it has made it more difficult for states to impose any modicum of regulation on the global market that could help ameliorate the crisis and restabilize the system.

Structural crises have their origin in over-accumulation, or the overproduction of capital. This refers to a situation in which enormous amounts of capital (profits) are built up but investors cannot find productive outlets to unload the accumulated surplus. This capital then becomes stagnant, as capitalists pull back from reinvesting profits, throwing the system into crisis. Overaccumulation originates in the circuit of capitalist production, ultimately in the tendency for the rate of profit to fall. The decline in the average rate of profit in the post-WWII period has been broadly documented. According to the *Financial Times*, it stood at about fifteen percent in the post-WWII period, dropped by the end of the 1980s to

ten percent and continued to decline, to six percent in 2017.[29] While figures for the rate of profit tend to vary depending on who is doing the reporting and through what methodology, one report after another has confirmed the long-term secular decline in profitability, notwithstanding short-term fluctuations, and along with it, the steady decline since 1970 in the growth of the net stock of capital (a proxy for productive investment) in the rich countries of the Organization for Economic Cooperation and Development.[30]

Marxist political economists have debated whether overaccumulation and attendant crises are caused by a fall in profitability or by overproduction and underconsumption. I am not convinced that these two approaches must be incompatible so long as we *start* the analysis in the circuit of production. Discussing crisis tendencies in the nineteenth century, Karl Marx noted that "a fall in the profit rate, and accelerated accumulation, are simply different expressions of the same process, in so far as both express the development of productivity." He continued: "In view of the fact that the rate at which the total capital is valorized, i.e. the rate of profit, is the spur to capitalist production, a fall in this rate…appears as a threat to the development of the capitalist process; it promotes overproduction, speculation and crises."[31] In short, capitalists seek to maximize profit by constantly lowering the overall cost of labor. They can do this by increasing the *absolute* surplus value pumped out by workers (surplus value refers to the excess of value produced by the labor of workers over the wages that they are paid). This involves squeezing more surplus value out of workers by reducing the wage and/or by increasing the length of the working day without increasing wages. Globalization allowed the TCC to increase absolute surplus value by seeking out new pools of cheap and super-exploitable labor around the world. The global economy, we need to recall, is a heterogeneous political space: in seeking these pools of labor, emergent transnational capital was able to take advantage of the uneven development of capitalism around the world, and especially of the relative underdevelopment of the former Third World. It is no surprise that the rate of profit increased during the globalization boom from the 1980s into the early twenty-first century before it again declined.[32] Over time, however, the principal mechanism for reducing the wage bill is to increase *relative*

surplus value—that is, to raise productivity, or output per worker per unit of time worked—through the introduction of new technologies and production methods, so that fewer workers are needed for the same output. Because living labor is the source of all value (profits), the long-run effect of increasing relative surplus value is to place downward pressure on the rate of profit.

If overaccumulation originates in this way in the circuit of production, however, it is typically *expressed* as a realization problem, manifest in the market as a crisis of overproduction and underconsumption. Capital is "realized" as profits once a commodity is actually sold in the market. In Marxist political economy, the realization problem refers to whether there is sufficient monetary demand for commodities that have been produced to be sold in the market, and to be sold at their value. To state this another way: after a capitalist enterprise produces a commodity, will it actually be purchased? The capitalist has invested in machinery, inputs, and labor to produce the commodity yet does not realize any gain until the commodity is purchased by someone and with a selling price that must compensate the capitalist for the original investment with some left over for profit. If this cannot be accomplished, the capitalist will have no motive to continue to invest (hence, stagnation). Therefore, capital cannot be "realized" as profit unless there is effective demand for the commodities that are produced. Extreme inequality in the distribution of wealth and income restricts effective demand. In 2018, the richest one percent of humanity controlled more than half of the world's wealth while the bottom eighty percent had to make do with just five percent.[33] Such inequalities—the natural outcome of capitalist dynamics unchecked by countervailing tendencies that may offset social polarization—end up undermining the stability of the system as the gap grows between what is (or could be) produced and what the market can absorb.

Overaccumulation thus appears first as a glut in the market and then as stagnation. In fact, from 2008 to 2020 there was a steady rise in underutilized capacity and a slowdown in industrial production around the world.[34] The surplus of accumulated capital with nowhere to go expanded rapidly. Transnational corporations recorded record profits during the 2010s at the same time that corporate investment declined.[35] Note that there is a

double movement here: the rate of profit has fallen while the mass of profit has risen (an increase in the mass of profit and an increase in the rate of profit are not one and the same). The total cash held in reserves of the world's 2,000 biggest non-financial corporations increased from $6.6 trillion in 2010 to $14.2 trillion in 2020—considerably more than the foreign exchange reserves of the world's central governments—as the global economy stagnated.[36]

While the accumulation of such profits may be good for individuals who get rich it represents a problem for the system overall, structurally speaking, as capital cannot remain idle without ceasing to be capital. This growing mass of uninvested profits is not the cause of overaccumulation but the consequence of declining profitability in the productive economy. In recent years accumulation has sputtered forward in ebbs and flows as the TCC has searched for outlets to unload this mounting surplus. Wild financial speculation and escalating government, corporate, and consumer debt drove growth in the first two decades of the twenty-first century, but these are temporary and unsustainable solutions to long-term stagnation. Consumer, corporate, and state debt reached an all-time high of $281 trillion in 2020, more than 355 percent of the total gross world product.[37] Such debt-driven growth is unsustainable in the absence of significant redistribution and other structural changes departing from neoliberal policies. Public debt, moreover, must be paid back through taxes on labor and represents an enormous and still-growing claim to the current and future earnings of working classes. A major default on consumer, state, or corporate debt—or waves of defaults—would set off a further chain reaction in the downward plunge of the global economy.

The current frenzied financial speculation in the global casino points to more fundamental transformations in the global political economy.[38] Financialization began in the late twentieth century with the deregulation and liberalization of financial markets worldwide, along with the introduction of computer and information technology into these markets. As national financial systems merged into an increasingly integrated global financial system, transnational finance capital emerged as the hegemonic fraction of capital on a world scale. It accrued enormous social power, including the ability to dictate through global financial markets to states and

to other circuits of accumulation, to regulate the circuits of capital worldwide, in a reversal of the historic relationship in which finance serves as an adjunct to industrial capital. There is now a body of literature on this financialization too vast to reference here.[39] Yet the phenomenon in my view still remains poorly understood and under-theorized. In part, this is because the changes in the nature of global capitalism that financialization—if indeed that is the best way to describe it—involves are so profound and are occurring so rapidly that it is difficult to get a handle on them; no one has a complete handle on the process. The matter is complicated by the twin process of digitalization, which makes possible financialization and is bringing about a radical restructuring of the whole system, a matter to which I will return momentarily.

Financialization has made it possible to turn the global economy into a giant casino for transnational investors. Declining profitability leads the TCC to shift investment from expanding the production of commodities to financial speculation. As opportunities dry up to reinvest overaccumulated capital elsewhere in the global economy, the TCC has turned to unloading trillions of dollars into speculation in global commodities markets, stock markets, currency markets, futures markets, leverages, every imaginable derivative and short, cryptocurrencies, "land grabs," and urban real estate, among other speculative activities in the netherworld of shadow banking. These speculative markets become outlets for global investors to "park" their overaccumulated capital. As a result, the gap between the productive economy of goods and services and fictitious capital has grown to an unfathomable chasm.

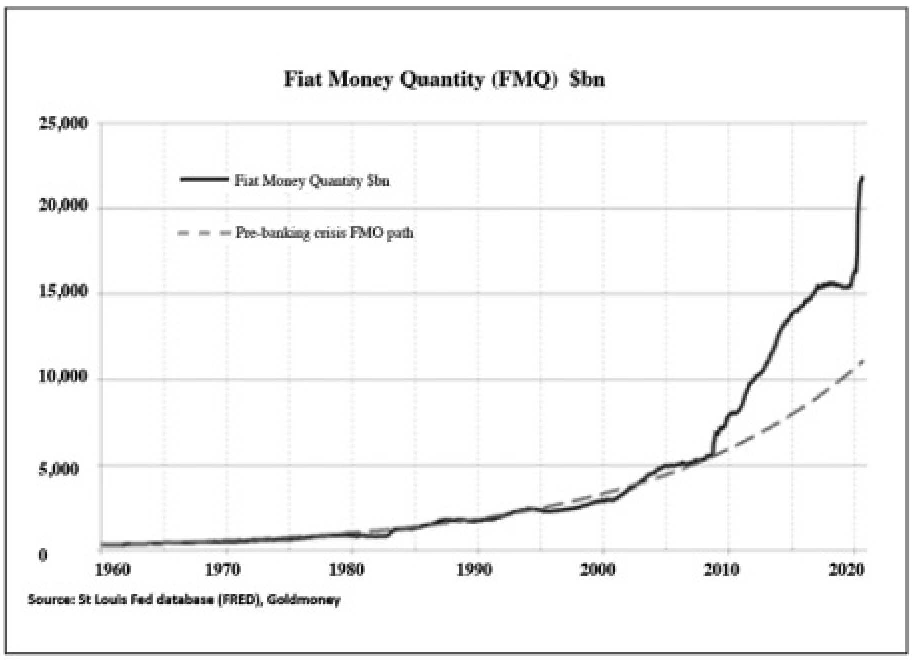
Fictitious capital refers to money thrown into circulation without any base in commodities or in production. A major portion of the income generated by financial speculation is fictitious, meaning (here in simplified form) that it exists on paper or in cyberspace but does not correspond to real wealth in the world, that is, goods and services that people need and want, such as food, clothing, houses, and so on. The accumulation of fictitious capital through speculation may offset the crisis temporally into the future or spatially to new digital geographies and new population groups but in the long run it only exacerbates the underlying problem of overaccumulation. In 2018, for example, the gross world product or the total value of goods

and services produced in the world, stood at some $75 trillion whereas the global derivatives market—a marker of speculative activity—was estimated at a mind-boggling $1 quadrillion.[40]

In the wake of the 2008 financial collapse, the U.S. and other Western governments turned to policies known as "quantitative easing," which essentially means that government treasuries print money and inject it into the banking system as cheap credit—even involving negative interest rates. Quantitative easing ends up creating mountains of what is known as fiat money, or government-issued currency that is not backed by a commodity, aggravating the gap between fictitious capital and the productive economy. Apart from the prospects of collapse itself, the out-of-control printing of money may in the long run trigger uncontrolled inflation that would further destabilize the global economy. The accumulation of fictitious capital gave the appearance of recovery in the years following the Great Recession. But it only offset the crisis temporally into the future while in the long run it exacerbated the underlying problem. Through its quantitative easing program, the U.S. Federal Reserve undertook a whopping $16 trillion in secret bailouts to banks and corporations from around the world following the 2008 collapse.[41] But this only tells part of the story. According to one IMF report, the total amount that states and central banks in the "advanced economies" committed to supporting the financial sector amounted to 50.4 percent of the entire world GDP.[42] This figure alone should make clear the profound transformations in global finance to such an extent that the crisis that began in 2008 is distinct from all earlier ones and places global capitalism in unchartered territory.

The banks and institutional investors that received much of this support simply recycled the trillions of dollars into new speculative activities, contrary to Keynesian expectations that it would stimulate productive recovery. As opportunities have dried up for speculative investment in one sector the TCC simply turned to another sector to unload its surplus. Then, as the global economy fell into free fall once the coronavirus pandemic hit in 2020, many governments turned to massive bailouts for capital. The U.S. and EU governments provided an astonishing $8 trillion handout to private corporations in the first two months of the pandemic alone, an amount roughly equivalent to their profits over the

preceding two years.[43] Most governments around the world approved packages that involved the same combination of fiscal stimulus, corporate bailout, and modest public relief, if at all it was provided.[44] Recycled into further speculative activity, the injection of state funding into the global financial system during the pandemic expanded even further the gap between the productive economy and fictitious capital as bubbles kept the capitalist economy afloat. The figure below shows the growth in fiat money measured within the United States, indicating the sharp spike from 2008 onward, and then an almost vertical spike with the onset of the pandemic.



II
GLOBAL PRODUCTION, CIRCULATION, AND APPROPRIATION OF VALUE

The era of globalization has involved an ongoing radical transformation in the modalities of producing and appropriating surplus value, a transformation hastened first by the 2008 crisis and then again by the coronavirus pandemic. The globally integrated financial system that emerged in the early twenty-first century has made it possible for values (in their monetary form) to cross borders seamlessly as they move swiftly and often instantaneously through the new global financial circuits. Money capital may be able to open or close gates for the generation of wealth within the logic of capitalist accumulation (of exchange value), but it does not in itself do anything except to have real values stick to itself, that is, to appropriate for itself real values produced elsewhere. Fictitious capital cannot produce surplus value, but it can redistribute it. The *triple processes of globalization, financialization and digitalization* are modifying how this value is created, distributed, and appropriated around the world. This is to say that the contradiction between value-production and value-realization is taking on new forms that require study.

Faulkner and Hearse suggest we need to rethink the relationship between the labor theory of value, which holds that living labor is the only source of value creation, and the laws of motion of capital—the laws that govern the creation and circulation of values—lest we conflate two different registers of activity and levels of abstraction. "The labor theory of value (which is correct; all value is created by labor) has to be separated from the laws of motion of capital accumulation," they argue, "i.e. the laws that govern circuits of capital, and the way in which those circuits determine wages, prices, and profits, and thus the distribution of value between and within social classes."[45] I am not so sure, however, that they are two difference registers as much as two different moments in the circuit

of global capital insofar as capital as a relation is *value in motion* that is undergoing radical change in the face of globalization, financialization, and digitalization. I do concur that we need a theory of the distribution of value as it pertains to the current epoch of globalized capitalism and transnational finance capital, and here I advance some tentative notes to this end.[46]

The rise of a deregulated, globally integrated and digitalized financial system allows capital to transform any current *or future* stream of earnings (dividends, interest, mortgages, credit card payments, state and private bond maturities, commodity deliveries, and so forth) into an easily tradable capital asset. And once these actual and potential earnings are converted into such monetary tradables ("financial instruments"), capitalists can in turn speculate further through trade taking place at a second degree of separation from the original productive origin of the stream of earnings and from the financial instrument being traded. Theoretically, there can be an endless degree of separation of this speculation from the original productive generation of value, so that fictitious capital becomes ever more divorced from the "real" (or productive) economy. That is, frenzied trading in money that never leaves cyberspace involves ever-greater degrees of separation from any underlying tangible values—assets or wealth produced by human beings. The initial creditor, say for a mortgage loan, sells it onward to high-risk derivatives traders so that the banks and investment management funds are free to seek speculative profit with no concern for the actual material assets and the people tied to them (e.g., a house), that is, for the gains and losses of derivative purchases. Indeed, they place bets on those gains and losses!

If surplus value is produced in the production process it is appropriated in the circulation process. Historically a portion of the surplus value that originates in production (in the capitalist labor process) is also *redistributed* through circulation. The first appropriation of surplus value is by capitalists who purchase labor power and organize the labor process. This labor power produces surplus value that is appropriated by the capitalists who directly purchased that labor power, and this may take place in each phase in the production of a commodity. The second is by other capitals that appropriate portions of the original value in circulation as it becomes realized. But in recent decades the gulf has rapidly widened

between the original production of surplus value at the points of production and its appropriation elsewhere in the global economy by circuits of financial capital that appear far removed from that production.[47] Financialization blurs the distinction between the spheres of production and circulation as it becomes dominant across the full spectrum of the global capitalist economy. For Faulkner and Hearse, critical to understanding financialized capitalism and the permanent debt economy is: "a) the scale of surplus appropriation that now occurs not in production, but in circulation; b) the extent to which the locus of exploitation has shifted from the proletarian as worker to the proletarian as consumer/debtor."[48] Indeed, household indebtedness itself involves not just an escalation of secondary exploitation, that is, appropriation of values that is independent of the extraction of surplus value in the production process. It also signifies a substantial increase in financial domination over the social reproduction of the working and popular classes, and an increase in value appropriation that bypasses value production (the production of new surplus value), and therefore ends up aggravating the overaccumulation problem.

Twentieth century research from the perspective of world-systems and dependency theory showed how surplus produced in peripheral regions of the world economy were transferred through unequal exchange, multinational corporate transfer pricing, and other mechanisms made possible by unequal specialization in an international division of labor.[49] As globalization proceeded towards the end of the century, scholars operating in this framework developed the concept of international value chains, what they referred to as global commodity chains.[50] This approach focused on how value is added to commodities in distinct phases in their production scattered across many countries. Higher value-added phases accrue more income and benefit particular geographic locations, generally conceived as particular nation-states.

Applying this approach, Clelland argued that behind the "bright value" of "visible monetized flows" of wages, rent and profit, lay what he called "dark value," involving the capture of value by participants controlling one node in a commodity chain from participants in other nodes as well as unpaid labor inputs from households and communities (unpaid social reproductive labor).[51] Capitalists who capture dark value can use it to

roll back prices in order to attract a greater volume of consumers than their competitors, to reinvest in expanded accumulation, or to achieve a greater degree of monopoly within commodity chains. The capitalists who achieve greater monopoly control are able to capture a portion of the surplus generated by others in a lower position within the hierarchy of the commodity chain by mark-ups and mark-downs in the prices at each node in the chain, in particular, the margin between the cost of production and the market price of inputs throughout the chain (this would be the mechanism of transfer pricing, but now not within a single corporation but between a subcontracted and a core firm). Focusing on the Apple iPad commodity chain, Clelland showed that Apple collected the lion's share of the difference between the factor price (that is, the actual cost to produce) and the market (sales price) of an iPad as a result of its control over the supply chain and its monopoly position in the chain. In order to remain competitive, suppliers in the chain are forced to extract dark value from low-paid labor power, low-cost natural resources, and externalization of costs to ecosystems and households.[52]

The commodity chains research was a good starting point to understand the radical changes underway in the relationship between the production and the appropriation of values in the global economy. But it is limited on several counts. By attributing the capture of value by nodes higher up in the chain to exploitation by the core of peripheral countries it obscures the underlying transnational social and class relations that drive the production and appropriation of values. As the research into the transnationalization of capital has shown,[53] global corporate conglomerates cannot be identified with particular countries and the value extracted through unequal exchanges in commodity chains cannot be seen as having been appropriated by a country (although states attempt to mediate these appropriations, as I will discuss below). Building on a mass of prior studies on this transnationalization, sociologist Peter Phillips has documented that in 2018, just 17 global financial conglomerates collectively managed $41.1 trillion dollars, more than half the GDP of the entire planet, and that these conglomerates are so transnationally entangled among themselves that separating them out into national boxes or into clearly delineated companies, much less countries, is simply impossible—in his words, they

constituted "a self-invested network of interlocking capital that spans the globe."[54]

We want to recall the fundamental transformation in the world economy brought about by globalization. If previously nation-states were linked to each other through trade and financial flows in an integrated international market, a new type of organic integration has come about in which each "national" economy is a subunit of the global system whose component parts are so functionally integrated that they do not operate with any independence. Global capitalism cannot be explained through the twentieth century categories of national economies interacting in an international system, national capitals in competition with each other, or classical theories of imperialism. But more to the point, national statistics conceal more than they reveal. If many Marxists tenaciously cling to outdated categories of analysis, the global elite is under no such illusion. The former chief economist at the Bank for International Settlements has characterized the global economy not as an "island model" of national economies interacting with one another but as an "interlocking matrix" of transnational corporate balance sheets and global financial conglomerates.[55] This is of critical importance because the current crisis is set apart from all earlier ones insofar as it is internal to global capitalism as a whole. National withdrawal from the global economy is entirely out of the question, as are "national" solutions to the global crisis. The 2008 financial collapse may have started in the United States, but it was not by any means a "U.S. crisis" imposed on other national categories. Such old categories have lost much of their relevance.

To the point here, we are witness to an extreme concentration and centralization of capital on a global scale in the financial conglomerates that in turn act to interlock the entire mass of global capital. It becomes clear that the notion of "national corporations" is too amorphous to be meaningful and that individual companies such as Apple are organizational units within a larger mass of entangled global capital. Value does not become pinned down in particular national boxes as it flows through the "open veins" of the globally integrated financial system. In failing to analyze the structure of global capital, extant approaches take an incorporated company, such as Apple, as the fixed unit of capital and thus

conceal the continuous fluid movement of value and the underlying relations of ownership and control that determine value appropriation. More to the point here, the global commodity chains and related approaches appear to focus wholly on industrial and commercial processes. They show how value is appropriated throughout a *production* chain but do not analyze how financial capital appropriates from productive and commercial capital. Absent an analysis of finance, these extant approaches are of little help in identifying the increasing hegemony of transnational finance capital in driving global accumulation and value appropriation. It is no longer clear that the value appropriated by capital corresponds to distinct phases of production and circulation of commodities, much less is there any necessary correspondence between the processes of appropriation and distinct national geographies. Let us recall that fictitious capital is fictitious valorization until or unless it is realized not on paper or in cyberspace but in the real material world.

If the top TNCs such as Apple perform a "system-integrator" function,[56] they in turn are enmeshed in and subordinate to the web of transnational finance capital. Moreover, researchers have long noted that industrial corporations have experienced financialization as they move into global financial markets and their financial operations shape decisions with regard to production, to the extent that industrial corporations such as General Motors or Apple have themselves become financial groups. Perched at the apex of the hierarchy in the iPad chain, Apple appropriates value from capitals supplying inputs and assembly in the supply chain, as Clelland documented. But who owns Apple? The billionaires and multimillionaires who are the face of Apple capitalists owned in 2021 but a few percentage points of the company. The three top individual shareholders, Arthur Levinson, Tim Cook, and Jeff Williams, together held barely more than one percent. In contrast, the three top institutional investors, Vanguard Group, BlackRock, and Berkshire Hathaway, owned more than 20 percent of the company.[57] In 2021 BlackRock was the largest asset management firm in the world, managing $9 trillion and providing management advising for investors holding many trillions of dollars more.[58]

As Phillips shows,[59] BlackRock is cross-invested with financial conglomerates from around the world that themselves bring together

thousands of individual, group, and institutional investors and trillions of dollars, and at the same time it is deeply invested in the leading global industrial and service firms. China Investment Corporation holds 2.1 percent of Blackrock shares, the Kuwait Investment Authority holds 5.24 percent, Temasek Holdings Limited from China holds 3.9 percent, among other investors in BlackRock.[60] But this tells a very limited story of the transnational rather than U.S. nature of the trail of Apple profits beyond Apple itself—indeed, such a methodology of analysis that tries to determine the nationality of distinct portions of ownership of the mass of transnational capital misses the mark entirely. For instance, Wellington Management owns 3.1 percent of BlackRock shares. While it is based in Boston it has investors from institutions in over 60 countries.[61] BlackRock derives nearly 80 percent of its revenues from investment advisory and administrative fees and securities lending[62] as well as from dividends from the firms in which it is invested, so that the company is itself appropriating value that in the first instance was appropriated by Apple from subcontracted industrial capitalists and then had been previously reappropriated by transnational finance capital. In other words, if Apple appropriates the lion's share of value in the iPad commodity chain, that value is in turn appropriated by transnational finance capital in what are numerous points—or flows—of appropriation and reappropriation through the global financial system.

Hence, value does not park itself in Apple as a corporation. It moves on to global investors managed by the outsized asset management conglomerates such as BlackRock, State Street, and Vanguard, that in the wake of the 2008 financial collapse have come to take center stage in the global financial behemoth and are now lodged at the very core of global capitalism, as Maher and Aquanno[63] among others have discussed. Institutional investors came to own in the wake of 2008 as much as 70 percent of the S&P 500, and among these, Vanguard, BlackRock or State Street became the largest shareholder in 438 of the 500.[64] The enormous concentration of power and control in these global financial management conglomerates as the institutional personification of transnational finance capital is crucial to the exponential expansion of fictitious capital. Krippner and Durand, among others, have demonstrated the increasing portion of total profits going to finance in recent decades and especially since 2008,

along with the increasing reliance of non-financial firms on income from their financial operations.[65] "The power obtained through fictitious capital is translated into concrete power in the manipulation and appropriation of the real economy by financial leveraging," observes Hermeto. "This leverage occurs in a two-step process. First, it detaches itself from the real economy and inflates itself. Second, with its expansion in assets, it comes back to the real economy and takes over of most profitable sectors [sic]. The fictitious capital has an immanent parasitic character; it needs a host to survive."[66]

In sum, financial markets concentrate wealth by appropriating value from other circuits that have, in turn, appropriated it from labor. Global speculators are able to appropriate values through new circuits that are in many respects irrespective of space and irrespective of "real" value or material production. In the competition over shares of the total global surplus value it is transnational finance capital that has come to dominate. But to the extent that fictitious capital breaks away from its historic mooring in the "real" economy, more and more of this competition is over fictitious capital!—in particular, rising asset valuations in the stock market, land and real estate markets, and derivatives, that is, fictitious value. While much of this discussion is exploratory and must be pursued elsewhere, the key point with regard to the crisis is that the massive appropriations of value through the global financial system can only be sustained through the continued expansion of fictitious capital, resulting in a further aggravation of the underlying conditions of the crisis.

Fictitious capital, as Durand notes in his master study, is "an incarnation of that capital which tends to free itself from the process of valorization through production."[67] This does not necessarily present itself as an insurmountable problem. Finance capital *as credit* historically plays a key role in the real economy of the production of goods and services, that is, of fundamental or material value, or to put it another way, in capital valorization through the production process. In the history of capitalism credit has increasingly come to substitute for money in the circulation of capital and commodities. The autonomy of financial accumulation from fundamental value may expand or contract during long periods of growth, stagnation and crisis. But the spectacular explosion of global credit in

recent years, as Tooze shows, corresponds not to flows of trade and investment but to speculative and self-expanding financial transactions unhinged from productive activity.[68]

At this time the historic relationship between the relatively autonomous dynamic of financial accumulation and its underlying real value would appear to swing so heavily towards the former that it almost appears to break away—so gaping is the chasm between fictitious capital and the real economy that financial valorization *appears* as independent of real valorization. This independence, of course, is an illusion. The entire financial edifice rests on the exploitation of labor in the "real" economy. If the system came crashing down the crisis would dwarf all earlier ones, with the lives of billions of people hanging in the balance. The unprecedented injection of fiat money into the financial system may result in a new kind of stagflation, in which runaway inflation is induced by such astronomical levels of liquidity even as acute inequality and low rates of profit prolong stagnation. Given the domination that finance capital exercises over the entire global economy, any inflationary spiral would destabilize financial circuits and therefore aggravate existing crisis tendencies. A more optimistic possibility is that these injections may postpone the crash until such time as the real economy can "catch up" and close the chasm.[69] But this is a high-risk bet.

While the discussion here remains tentative, two things should be clear. First, the runaway expansion of fictitious capital made possible by financialization is all the more aggravated by the ability of transnational finance capital to appropriate value in new ways and autonomously from the real economy of goods and services. And second, this expansion, as Durand notes, implies "a growing preemption of future production," therefore aggravating the structural crisis of overaccumulation. Durand is correct to assert that the eruption of finance is nothing other than "capitalism running out of breadth."[70] But could it be that capitalism manages to catch its breath again through digitally-driven productive expansion as digitalization results in a dramatic transformation of the real economy? Will the digital revolution now underway usher in new opportunities for accumulation and growth in the production of goods and services that becomes strong enough to support the hypertrophied financial

system, that is, to restore some correspondence between finance and the material production of goods and services?

III

THE SECOND INFORMATION AGE[71]

Capitalist growth tends to take place in long waves beyond cyclical crises, in which restructuring driven forward by social and class struggles leads to novel forms of capitalist organization.[72] Structural crises such as those of the 1930s and the 1970s typically involve the transformation of patterns of capital accumulation and new rounds of expansion, often incorporating new cutting-edge technologies, such as the synthetic materials, consumer durables, automotive and petrochemicals, and military-industrial technologies that drove the post-WWII boom. Early in the twentieth century, Soviet economist Nikolai Kondratieff noted how the world economy, driven by new cutting-edge technologies, experiences cycles of some 40-60 years (called Kondratieff waves). In these cycles, rounds of expansion eventually become exhausted and are followed by downturns and crises, resulting in a reorganization of the system and new technologies that help launch a new cycle. These long waves involve an upswing followed by a downswing. If the globalization boom starting in the late twentieth century is seen as an upswing, then the financial collapse of 2008 would signal the start of a downswing.

Following Schumpeter's focus on business cycles and innovations, Carlota Perez has more recently made a similar argument on long waves and technology.[73] New technologies will take time to generate productive expansion in her view, because returns remain high on industries employing already established technologies and they continue to absorb available finance. Once the established technologies become exhausted opportunities for profitable investment in them dry up and financialization ensues. But then new technologies are introduced and eventually attract financial investment as a new "techno-economic paradigm" takes hold that ushers in a period of productive expansion. Perez does allow that the political and cultural patterns propitious to the new paradigm must become

institutionalized in order for a period of expansion to get underway. Nonetheless, these and related approaches such as Manuel Castells' theory of informationalism as a new techno-economic paradigm[74] fall back too heavily on technological determination; they omit the causal centrality of social and class forces in struggle. It is the dynamics of capital accumulation and capitalist development that drive the development and introduction of new technologies. Moreover, technology is not neutral; under capitalism it has a class relation. The TCC has wielded Computer and Information Technology (CIT) in its political campaign to open the world to transnational capital through "free trade," integration agreements, and neoliberal policies. The TCC has developed and deployed information technology for the express purpose of imposing systems of transnational social control and repression.

Global capitalism now appears on the cusp of another wave of restructuring and transformation based on a much deeper digitalization of the entire global economy and society. At the core of this new wave of technological development is more advanced information technology or so-called fourth industrial revolution technologies.[75] Led by artificial intelligence (AI) and the collection, processing and analysis of immense amount of data ("big data"), the emerging technologies include machine learning, automation and robotics, nano- and biotechnology, the Internet of Things (IoT), quantum and cloud computing, 3D printing, 5-G bandwidth, virtual reality, new forms of energy storage, and autonomous land, air, and sea vehicles, among others. CIT, first introduced in the 1980s, provided the original basis for globalization. It allowed the TCC to coordinate and synchronize global production sequences and therefore to put into place the globally integrated production and financial system, as discussed above, into which every country has become incorporated. Just as the original introduction of CIT and the internet in the late twentieth century profoundly transformed world capitalism, this second generation of digital-based technologies is leading to a new round of worldwide restructuring that promises to have another transformative impact on the structures of the global economy, society, and polity.

It is hard to underestimate just how rapid and extensive is the current digital restructuring. According to UNCTAD data,[76] the "sharing economy"

will surge from $14 billion in 2014 to $335 billion by 2025. Worldwide shipments of 3D printers more than doubled in 2016 to over 450,000 and were expected to reach 6.7 million by the end of 2020. The global value of e-commerce is estimated to have reached $29 trillion in 2017, which is equivalent to 36 per cent of global GDP. In that year, 277 million people made cross-border purchases through e-commerce. Digitally deliverable service exports amounted in 2019 to $2.9 trillion, or fifty percent of global services exports. By 2019 global internet traffic was 66 times the volume of the entire global Internet traffic in 2005, whereas Global Internet Protocol (IP) traffic, a proxy for data flows, grew from about 100 gigabytes (GB) *per day* in 1992 to more than 45,000 GB *per second* in 2017. And yet the world is only in the early days of the data-driven economy; by the end of 2022 global IP traffic was projected to reach 150,700 GB per second, fueled by more and more people coming online for the first time and by the expansion of the IoT. Digitalization since its inception exhibits a network effect insofar as the gamut of human activities and social relations become plugged into the same ultimate language of streams of bits—that is, into ones and zeros. We are approaching a situation, or may well have arrived at it, in which every person on the planet is connected—for the most part directly, although everyone is, indirectly—through a single common digital network. Already by 2015 more than thirty percent of the global population was using social media platforms. By 2019 there were 5.2 billion smartphones in operation worldwide and more than half the planet was online.[77]

If the first generation of capitalist globalization from the 1980s onward involved the creation of a globally integrated production and financial system, since 2008 the new wave of digitalization and the rise of platforms have facilitated a very rapid transnationalization of digital-based services. By 2017 services accounted for some seventy percent of the total gross world product[78] and included communications, informatics, digital and platform technology, e-commerce, financial services, professional and technical work, and a host of other non-tangible products, such as film and music. This shift worldwide to a service-based economy based on the widespread introduction of fourth industrial technologies brings about a sea change in the structure of capitalist production towards the centrality of

knowledge to the production of goods and services. This has involved the increasing dominance of intangible capital (literally, capital that is not physical in nature), what in recent literature on the subject has alternatively been called "intellectual capital," "intellectual property," and "immaterial production," along with the associated concept of immaterial labor, cognitive labor, and knowledge workers, in reference to workers involved in immaterial production. Information is at the core of culture and culture is what sets our species apart from all others. Now as information moves to a qualitatively new plane in our material existence, we want to recall that information as social power is never independent of the relations of production and the power dynamics embedded therein.

The COVID-19 contagion boosted the efforts of the giant tech companies and their political agents to convert more and more areas of the economy into these new digital realms.[79] At the center of global restructuring are the giant tech companies, among them Microsoft, Apple, Amazon, Tencent, Alibaba, and Facebook.[80] These companies experienced astonishing growth in the 2010s. Added now to the earlier tech behemoths are Zoom, Netflix, and other companies boosted by the pandemic as well as tech firms such as Taiwan Semiconductor Manufacturing Company (TSMC) whose expansion and market capitalization was ballooning even before the contagion. Zoom daily users jumped by 3000 percent in the first four months of the pandemic. Moreover, there are now hundreds of up-and-coming tech firms from around the world that prospered during the contagion and can be expected to expand rapidly as restructuring proceeds. Apple and Microsoft registered an astounding market capitalization of $1.4 trillion each in early 2020, on the eve of the contagion. By the end of that year this figure had jumped to $2.08 trillion and $1.63 trillion, respectively. Amazon's capitalization stood at $1.04 trillion going into the pandemic and had climbed to $1.58 trillion by the end of 2020. Alphabet (Google's parent company) registered a $1.2 trillion capitalization, Samsung $983 billion, Facebook $779 billion, and Alibaba and Tencent some $700 billion each. To give an idea of just how rapidly these tech behemoths have grown, Google's market capitalization went from under $200 billion in 2008 to over one $1 trillion in 2020, or a 500 percent increase over the decade. Meanwhile, in just two years, from 2015 to 2017, the combined value of the

platform companies with a market capitalization of more than $100 million jumped by sixty-seven percent to more than $7 trillion.

A handful of the largest tech firms have absorbed enormous amounts of cash from transnational investors from around the world who, desperate for new investment opportunities, have poured billions of dollars into the tech and platform giants as an outlet for their surplus accumulated capital in search of profits. Annual investment in CIT jumped from $17 billion in 1970 to $65 billion in 1980, then to $175 billion in 1990, $496 billion in 2000, $654 billion in 2016, $800 billion in 2019, and then $975 billion in 2020.[81] As capitalists invest these billions, the global banking and investment houses become interwoven with tech capital, as do businesses across the globe that are moving to cloud computing and artificial intelligence. It is clear that the astronomical amounts involved in the market capitalization of the tech firms are largely a result of stock speculation. There appears to be an enormous gap difficult if not impossible to measure between the value of these companies' material assets and their market capitalization, reflecting the same chasm between the real economy and fictitious capital discussed in the previous section. This is to say: the relationship between finance and production in the tech sector is the same as it is in the global economy at large.

But could this be a temporary relationship as investment in tech generates a productive reactivation and expansion? Productive recovery would require, under the logic of capitalism, that the rate of profit rises. This would come about, *ceteris paribus*, from a rise in productivity through digitalization without a corresponding rise in the overall wage rate, or at least that profits would rise more quickly than wages. Data shows that from the 1980s and on, those corporations that transitioned to CIT were dramatically more productive than their competitors, managing to resolve the so-called "productivity paradox,"[82] wherein the growth in productivity notably slowed starting in 1973, the date of the onset of a structural crisis and subsequent globalization.[83] One McKinsey report estimated in 2016 that global growth rates for the next 50 years would slow to almost half of the rate it enjoyed in the previous 50 years, from 3.8 to 2.1 percent. It pinned hopes on digital technologies as the major source of future productivity growth.[84]

Digitalization is a “general purpose technology,” meaning that, like electricity, it spreads throughout all branches of the economy and society and becomes built into everything. Those who control the development and application of digital technologies acquire newfound social power and political influence. In this process there emerge new configurations and blocs of capital. The rise of the digital economy involves a fusion of Silicon Valley with transnational finance capital—U.S. bank investment in tech, for instance, increased by 180 percent from 2017 to 2019[85]—and the military-industrial-security complex, giving rise to a new triangulated bloc of capital that appears to be at the very core of the emerging post-pandemic paradigm. The Silicon Valley-Wall Street-Pentagon nexus appears at this time at the summit of the global power bloc.

As this process deepens, those TCC groups that control general digitalization develop new modalities for organizing the extraction of relative surplus value and increasing productivity at an exponential rate. Hence the new technologies disrupt existing value chains and generate a reorganization among sectors of capital and fractions of the capitalist class. They allow the tech giants and digitalized finance capital to appropriate ever-greater shares of the value generated by global circuits of accumulation. If the real economy is to “catch up,” as discussed above, it will be in the relationship of the tech sector to transnational finance capital. Is it possible that the massive entrance of financial capital into this sector will generate value production, and that rising profits in digitally driven production will drive the “catch up”? There is no sign that this is occurring currently, but what may tip the scale could be state reform driven by mass protest, as I will discuss momentarily.

The apologists of global capitalism claim that the digital economy will bring high-skilled, high-paid jobs and resolve problems of social polarization and stagnation.[86] It is true that the first wave of digitalization in the late 20th century resulted in a bifurcation of work, generating high-paid, high-skilled jobs on one side of the pole, giving rise to new armies of tech and finance workers, engineers, software programmers, and so on. On the other side of the pole, digitalization produced a much more numerous mass of deskilled, low-wage workers and an expansion of the ranks of surplus labor.[87] But the new wave of digitalization threatens now to make

redundant much so-called “knowledge work” and to deskill and downgrade a significant portion of those knowledge-based jobs that remain. Increasingly, cognitive labor and gig workers face low wages, dull repetitive tasks, and precariousness. As “big data” captures data on knowledge-based occupations at the workplace and in the market and then converts it into algorithms, this labor itself is threatened with replacement by artificial intelligence, autonomous vehicles and the other fourth industrial revolution technologies. Indeed, even before the pandemic hit, automation was spreading from industry and finance to all branches of services, even to fast food and agriculture. It is expected to eventually replace much professional work such as that currently done by lawyers, financial analysts, doctors, journalists, accountants, insurance underwriters and librarians.

Crises, let us recall, provide transnational capital with the opportunity to restore profit levels by forcing greater productivity out of fewer workers. This process described by the ever-prescient Marx is driven forward by the new wave of digitalization, accelerated now in hot-house fashion by the economic and social conditions thrown up by the pandemic. Since the 1980s almost all employment lost in the United States in routine occupations due to automation, for instance, occurred during recessions.[88] The first wave of CIT in the latter decades of the twentieth century triggered explosive growth in productivity and productive capacities, while the new digital technologies promise to multiply such capacities many times over. Specifically, digitalization vastly increases the organic composition of capital, meaning that the portion of fixed capital in the form of machinery and technology tends to increase relative to variable capital in the form of labor. In laymen’s terms, digitalization greatly accelerates the process whereby machinery and technology replace human labor, thus expanding the ranks of those who are made surplus and marginalized. The end game in this process, although still far away, is *laborless production*. The processes that push capitalism towards laborless production also *push marginal cost towards zero*, that is, zero cost for each incremental unit of output. As production moves towards laborless and costs move towards zero we step into the unknown. It is nearly impossible that we will ever reach laborless production or zero marginal cost, much less in the near

future. Nonetheless, the more the system does away with labor and pushes towards marginal zero cost, the more it is faced over the long run with a *crisis of value* since only living labor can generate value.

But before such a time that a crisis of value would bring the system down, it is certainly possible that restructuring will unleash a new wave of expansion. However, any such expansion will run up against the problems that an increase in the organic composition of capital presents for the system, namely the tendency for the rate of profit to fall, a contraction of aggregate demand, and the amassing of profits that cannot be profitably reinvested. In the larger picture, the heightened structural power achieved by the TCC through globalization and financialization has enabled it to undermine redistributive policies and to impose a new labor regime on the global working class based on flexibilization and precariatization, or proletarianization under conditions of permanent insecurity and precariousness. The International Labor Organization reported in 2019 that a majority of the 3.5 billion workers in the world either eked out a living (or attempted to) in the informal economy—that is, swelled the ranks of surplus labor—or worked in precarious arrangements, including informal, flexible, part-time, contract, migrant, and itinerant work arrangements. Over the past four decades globalization has brought a vast new round of global enclosures as hundreds of millions have been uprooted from the Third World countryside and turned into internal and transnational migrants. Some of the uprooted millions are exploited through incorporation into the global factories, farms, and offices as precarious labor, while others are marginalized and converted into surplus humanity, relegated to a "planet of slums."[89] Surplus humanity is of no *direct* use to capital. However, in the larger picture, surplus labor is crucial to global capitalism insofar as it places downward pressure on wages everywhere, disciplines those who remain active in the labor market, and subsidizes capital through social reproduction labor that it performs in the informal sector.

While the wave of technological innovation now underway may hold great promise for the long run, under global capitalism, the social and political implications of new technologies—developed within the logic of capital and its implacable drive to accumulate—point to great peril. In particular, these new technologies, *ceteris paribus*, will aggravate the forces

driving overaccumulation and the expansion of the ranks of surplus humanity. They will enable the TCC and its agents to create nightmarish new systems of social control, hegemony, and repression, systems that can be used to constrain and contain rebellion of the global working and popular classes, oppositional movements, and the excluded masses. Criminalization, often racialized, and militarized control become mechanisms of preemptive containment, converging with the drive toward militarized accumulation with the potential to create a global police state. We are faced with the breakdown of consensual domination and a rise of coercive systems of social control as strategies for surplus population management.

The TCC has already "weaponized" the new technologies, both figuratively, in that the productive power it gives to transnational capital is a weapon in its class warfare against the global popular classes, and literally, insofar as these technologies are applied to new systems of transnational warfare, social control and repression, that is, to deploy a global police state. The global economy has become ever more dependent on the development and deployment of systems of warfare, social control, and repression, driven by new digital technologies, simply as a means of making profit and continuing to accumulate capital in the face of chronic stagnation and saturation of global markets. *Militarized accumulation* refers to this situation in which a global war economy relies on perpetual state-organized war making, social control, and repression. These state-organized practices are outsourced to transnational corporate capital, involving the fusion of private accumulation with state militarization in order to sustain the process of capital accumulation.[90] There is a convergence of global capitalism's political need for social control and repression and its economic need to perpetuate accumulation in the face of stagnation.

Digitalization, taken together with transnationalization and financialization, makes capitalism more and more a rapidly changing and therefore an ever-more moving target. Underlying relations of control and exploitation are not necessarily apparent to those engaged in working class and popular struggles. Labor remains the only real source of value in the world—that is, human beings working with their bodies and their minds to generate wealth. In earlier epochs of capitalism, we imagined the process of

exploitation, or the transfer of this wealth from those who produce it to those who control the means of production and the labor process, as a direct relation of exploitation. But as we have seen, tangible and intangible wealth is now financialized, as values are endlessly appropriated and re-appropriated in new ways and therefore complicate our ability to identify relations of exploitation. Whereas previously taxi companies that owned fleets may have exploited taxi drivers, today Uber drivers in India or Mexico are exploited by shareholders around the world in this "platform" company that produces nothing yet had a valuation in late 2021 of $78 billion. The global working class faces the TCC in bewildering new ways.

Absent redistributive and regulatory reforms or state intervention to generate public or alternative forms of employment, digitally driven global transformation will aggravate the structural crisis of overaccumulation. The question then becomes one of class struggle and political contestation. Can mass struggle by the popular and working classes force on the system a measure of redistribution, re-regulation, and social welfare investment that may offset the crisis into the future and give global capitalism a new lease on life? Perhaps, but digital transformation will also aggravate the crisis of state legitimacy and capitalist hegemony.

IV
The General Crisis of Capitalist Rule

Thus far we have discussed the structural dimension of a global crisis. But the crisis is as much political as it is economic. Capitalist states face spiraling crises of legitimacy after decades of hardship and social decay wrought by neoliberalism, aggravated by these states' inability to manage the COVID-19 health emergency and the economic collapse. The system is moving very quickly towards a general crisis of capitalist rule as capitalist hegemony breaks down. A 2020 survey found that a majority of people around the world (56 percent) believe capitalism is doing more harm than good.[91] Lack of trust in capitalism was highest in Thailand and India (75 percent and 74 percent, respectively), with France close behind (69 percent). Majorities rejected capitalism in many Asian, European, Gulf, African, and Latin American countries. In fact, only in Australia, Canada, the United States, South Korea, Hong Kong and Japan did majorities disagree with the assertion that capitalism currently does more harm than good. A "global spring" is breaking out all around the world.[92] From 2017 to 2019, more than 100 major anti-government protests swept the world, in rich and poor countries alike, toppling some 30 governments or leaders and sparking an escalation of state violence against protesters.[93] However, this two-year period was but a peak moment in popular insurgencies that spread in the wake of the 2008 Great Recession. It is a veritable tsunami of mass rebellion not seen since at least 1968.

The uprising has a truly global character. From Chile to Lebanon, Iraq to India, France to the United States, Haiti to Nigeria, and South Africa to Colombia, mass struggles appeared in some instances to be acquiring a radical anti-capitalist character. These protests involved workers and often migrant workers, farmers, indigenous communities, women and feminists, students, prisoners and activists against mass incarceration, democracy and anti-corruption activists, anti-racists, those struggling for autonomy or

independence, anti-austerity campaigners, and environmental advocates, among others.[94] In all of their diversity, these mass struggles have a common underlying denominator: an aggressive global capitalism in crisis that is pushing to expand on the backs of masses who can tolerate no more hardship and deprivation. It would seem that the contradictions of this crisis-ridden system have reached the political breaking point, placing the world in a perilous situation that borders on global civil war.

The ruling groups cannot but be alarmed over mass popular discontent. They must figure out how to keep accumulating capital in the face of stagnation and at the same time maintain control by keeping a lid on rebellion. As protest spreads around the world, they have turned to expanding the global police state. Savage inequalities are politically explosive and, to the extent that the system is simply unable to reverse them or to incorporate surplus humanity, it turns to ever more violent forms of containment to manage immiserated populations.[95] As popular discontent has spread in recent years, the dominant groups have ramped up the transnational systems of social control, repression and warfare alluded to above—from mass incarceration to deadly new modalities of policing and omnipresent systems of state and private surveillance—to contain the actual and potential rebellion of the global working and popular classes and surplus humanity. Moreover, as repression becomes more systematic and generalized, the system becomes more dependent on militarized accumulation, that is, on a global war economy that relies on perpetual state-organized war making, social control, and repression, driven now by new digital technologies, in order to open up and sustain opportunities for profit making.

But there are mounting fissures within the ruling groups over how to manage the crisis and stabilize global capitalism. Infighting within their ranks is escalating as the global capitalist historic bloc constructed in the heyday of neoliberalism from the 1990s until 2008 unravels and as the post-WWII international system collapses. In recent years reformist elements among the transnational elite have expressed alarm that worsening inequalities fan mass revolt. In addition to the political destabilization that it generates, these reformers argue from a Keynesian and post-Keynesian perspective that inequality is the source of economic stagnation.[96] Even

economists from the International Monetary Fund, a bastion of neo-classical economics and neoliberal policies, have recently targeted inequality as the cause of declining growth rates.[97] For both political and economic reasons, more and more sectors of the global elite have scrambled to find ways to reform the system.[98] In his worldwide bestseller, *Capital in the Twenty-First Century*,[99] French economist Thomas Piketty argued for a global tax on capital and redistribution through progressive tax reform. The book gained traction globally precisely because its prescriptions converge with the reformist agenda of a rising number of transnational elites and intelligentsia. Like Piketty, they have been calling for mildly redistributive measures, such as increased taxes on corporations and the rich, a more progressive income tax, the reintroduction of social welfare programs, greater state regulation of the market, public investment, and a "green capitalism."

Reformers appear now to pin their hopes on the possibility that the global economy can be revived through large-scale investment in infrastructure and in a "green capitalism" that brings together environmental and other fourth industrial revolution technologies with regulation of global markets and redistribution through tax policies. Following China's lead in massive infrastructural investment through its Belt and Road Initiatives, the U.S. government approved in 2021 a nearly two-trillion-dollar infrastructure bill. The program involves a massive giveaway to transnational corporations contracted to reconstruct the country's infrastructure and leaves intact the prevailing class power relations. But unlike the giveaways to the banks, which are mostly recycled into further rounds of speculation, the program involves productive activity that has the potential to generate a snowball effect of productive investment. The G20 club of rich countries approved in 2021 new cross-border tax rules that established a 15 percent minimum tax rate.[100] Harris and Scully have documented a sharp rise in social assistance programs around the world in recent years, especially in the Global South.[101] Meanwhile, the idea of a universal basic income (UBI) has been gaining ground among reformers and even among conservatives.

While neoliberal policies continue to dominate, the "Washington Consensus" around them has cracked since 2008; indeed, the policy of

quantitative easing and the multi-trillion-dollar bailouts to banks and corporations discussed above render meaningless the neoliberal call for fiscal and monetary discipline. As Gramsci noted early in the last century, ruling class rule requires ruling class ideas, and that these ideas achieve hegemony and become common sense. For ideas and ideologies to become a material force, that is, to shape political practices, there must be a certain correspondence between these ideas and material interests. Beyond the extant reform proposals, an increasing number of elite forums and corporate foundations are searching for a different set of ideas that may compete for hegemony with neoliberalism and its theoretical foundation in neoclassical economics. "Circumstances are ripe for the emergence of a new intellectual paradigm—a different way to think about political economy and the terms of a new twenty-first century social contract," observed one of these, the Hewlett Foundation, in a 2018 internal report.[102] The repudiation in recent decades of Keynesianism in favor of "free market orthodoxy," the report argued, served the system well but no longer does so in light of changing circumstances. "Wealth inequality—along with income stagnation, the hollowing out of the middle class, and increased economic insecurity—has in turn become one of the major causes, if not *the* major cause, of rising political and social tensions."[103] It noted that a rising number of foundations, think tanks, quasi-governmental and private elite forums have been working to "change the socioeconomic paradigm away from neoliberalism."[104] Two years later, the Foundation announced a $50 million program to support the development of a post-neoliberal paradigm.[105]

For the reformist agenda to succeed, raising global aggregate demand through a global neo-Keynesianism would have to be coupled with a sufficient increase in productivity (surplus value extraction) to outstrip declining profitability due to the increase in the organic composition of capital, as discussed above. Nonetheless, transnational elites also face political and institutional impediments to any reform agenda. Elites historically attempted to resolve the contradictions of capitalism through national state policy instruments. However, transnational capital has broken free in recent decades from the constraints imposed by the nation-state. The TCC and its political agents in states lack functional political structures to resolve the crisis, stabilize a new global power bloc, and reconstruct

capitalist hegemony, given the disjuncture between a globalizing economy and a nation-state-based system of political authority.

Prolonged crisis has transformed public finance, resulting in a reconfiguration of the relationship between the state and transnational capital. The state issues bonds to supply liquidity to the banks that must be paid back through taxation. The effect of the prolonged financial crisis and state bailouts has been a switch from private to public debt and with it, an ever-greater claim by transnational finance capital via the state over the future earnings of the working class, which undermines any reform effort aimed at expanding aggregate demand.[106] The state-financial capital complex is at the core of the 2008-2022 global economy and its crisis management. The core states, it has become clear, will provide whatever the megabank and financial conglomerates need to remain stable (profitable). In what would appear as an inverted form of state capitalism, Tooze shows how the U.S. state, with the EU not far behind, virtually forced liquidity on the financial complex as the former absorbed the latter's losses. In effect, the state has become the premier allocator of capital. This should not come as a surprise as new forms of state power emerge historically to politically mediate crisis tendencies and contain social antagonisms.

Capitalism needs the state to establish the conditions for its reproduction. But national governments do not exercise the transnational political authority that global capitalism requires in order to address the crisis. Global elites have attempted to resolve the disjuncture discussed above by developing what I have termed transnational state (TNS) apparatuses.[107] Since the onset of globalization they have sought to develop transnational mechanisms of governance—such as the creation of the European Union in 1993, the World Trade Organization in 1995, the G20 in 1999, and a number of national and transnational regulatory and oversight bodies in the wake of the 2008 Great Recession—that would allow the global ruling class to take collective action to stabilize the system. More broadly, it is through TNS apparatuses that the TCC has attempted to organize its class power around the world—to convert the structural power of the global economy into a supranational political authority, to promote

an open global economy, impose a uniform set of rules, and develop transnational policy coordination.

However, even in the heyday of neoliberal consensus, the fragmentary nature of TNS apparatuses made the effort problematic, given both the dispersal of formal political authority across many national states and the loose nature of TNS apparatuses with no center, formal constitution, or enforcement capacity. The inadequacy of these efforts has become more apparent in the face of the crisis and as the political management of global capitalism has slipped from U.S. state managers without it being picked up effectively by TNS apparatuses. The more enlightened among the transnational elites have been clamoring to develop more effective TNS apparatuses. The challenge is compounded by the crumbling of the hopelessly outdated post-World War II international order without the existence of a new global political architecture able to take its place. This world political order dates to the creation in 1944 of the Bretton Woods institutions by the Western victors in World War II, and includes the World Bank, the International Monetary Fund, and the United Nations system. The rich Western states also established their NATO military alliance and numerous political forums for their collective rule, among them, the Bilderberg Club and the Trilateral Commission. The United States, along with Western Europe, dominates decision-making in these institutions, while the status of the dollar as the international currency makes the U.S. Treasury the world's central bank.

But the United States is no longer the market of last resort, nor can it continue indefinitely to serve as the liquidity provider of last resort. The dollar, already eroded as the global reserve currency, has come under intense pressure since 2008 given the dollar denomination of much of the global financial system. In the midst of the financial crisis in 2009, China resurrected Keynes' 1944 proposal for a global monetary unit independent of any national currency, calling for an expansion of the IMF's special drawing rights (SDR) or for a basket of hard currencies. At some point dollar-denomination of the global economy would have to give way to some new global currency regime that could potentially help reactivation by freeing transnational investment from the dollar or dollar denomination. This could come from the creation, most likely by China, of an alternative

to the dollar-based SWIFT system of international payments between banks worldwide that was set up in 1973 on the eve of U.S.-led globalization. The political control afforded to the U.S. state by a dollar-denominated global economy is at odds with increasing political multipolarity. The prevailing distribution of formal decision-making power among states in the post-WWII international order does not reflect radical changes in recent decades in the relative weight of states in the international system, and especially the rise of China. The archaic nature of the international political order contributes to mounting international and geopolitical tensions and also undermines the type of TNS authority structure that could address the crisis.

Reformist elites are aware of this conundrum. The World Economic Forum (WEF), which holds its famed annual meeting in Davos, Switzerland, has led the way in calling for the renovation of the world political order and for more effective TNS apparatuses through its "global governance" program to rein in the anarchy in the system's political authority structure. "The weakening of multiple systems has eroded confidence at the national, regional, and global levels," warned the WEF in 2017. "In the absence of innovative and credible steps towards their renewal, the likelihood increases of a downward spiral to the global economy."[108] The inability of any would-be TNS apparatuses to impose coherence and regulation on transnational accumulation is due to the vulnerability of the TCC as a class group as a result of its own internal disunity and fractionation, and its blind pursuit of immediate accumulation—that is, of its immediate and particular interests over the long-term or general interests of the class group.

More importantly perhaps, the effort runs up against the contradiction between the accumulation function and the legitimacy function of national states. That is, the national state faces a contradiction between the need to promote transnational capital accumulation in its territory in competition with other states and its need to achieve internal political legitimacy and stabilize the domestic social order. Attracting transnational corporate and financial investment to the national territory requires providing capital with investment incentives, such as labor discipline and low wages, a lax regulatory environment, tax concessions, investment subsidies, and on so. The result is rising inequality, impoverishment, and insecurity for the

working and popular classes, precisely the conditions that throw states into crises of legitimacy, destabilize national political systems, and jeopardize elite control. This contradiction generates a politics of crisis management that often itself comes to appear contradictory and even bewildering.

International frictions escalate as states, in their efforts to retain legitimacy, seek to sublimate social and political tensions and to keep the social order from fracturing. This may involve channeling internal tensions towards scapegoated communities, such as migrants and refugees, or towards an external enemy. The U.S.-instigated "New Cold War" between the United States and China (and Russia) is driven, in part, by such externalization. While China and Russia face the same imperative to secure legitimacy, the U.S. military-security apparatus finds it difficult to adapt to new global realities. U.S. rulers continue to rely on imperial bluster for their legitimacy among a chauvinistic base of U.S. workers that is now experiencing downward mobility and disaffection with the political establishment. In addition, rising international tensions legitimate expanding military and security budgets. While the Chinese and Russian ruling classes must also face the economic and political fallout of global crisis, their national economies are less dependent on militarized accumulation and their mechanisms of legitimation rest elsewhere, not on conflict with the United States. It is Washington that is conjuring up the New Cold War, based not on any political or military threat from China and Russia, much less from economic competition among capitalist classes in each country, as U.S.- and Chinese-based transnational corporations and financial conglomerates are inextricably cross-invested among themselves and around the world,[109] but rather on the imperative of managing and sublimating the crisis.

The drive by the capitalist state to externalize the political fallout of the crisis increases the danger that international tensions will lead to war. Historically wars have pulled the capitalist system out of accumulation crises while they serve to deflect attention from political tensions and problems of legitimacy. The gravest danger is that international military conflict escalates into nuclear confrontation in the face of a renewed global conventional and nuclear arms race. The Bulletin of the Atomic Scientists, founded in 1945 by Albert Einstein and other scientists who had been

involved in the Manhattan Project, has been continuously publishing its annual Doomsday Clock warnings since 1947. Its 2021 Clock warned that climate change and the risk of nuclear war placed the hands at "100 seconds to midnight"—the closest the hands have ever been to the symbolic Armageddon.[110] At the risk of oversimplification, there are two points of acute pressure that push towards war and prolonged conflict. One is overaccumulation, which makes the global police state an increasingly attractive outlet for unloading surplus accumulated capital. War, in particular, provides an enormous outlet for surplus accumulated capital. The second is the legitimacy crisis of the state, which pushes states to externalize social and political tensions as they seek to hold together the social order inside the nation-state. A set of more balanced transnational state institutions that reflect the new realities of a multipolar and interdependent global capitalist system could deescalate mounting international tensions and the threat of war. But we should harbor no illusions that a new global political architecture can either humanize capitalism or resolve the crisis absent mass struggle for a downward redistribution of wealth and power.

Some scholars have framed the crisis of global capitalism in terms of a declining U.S. hegemony and the rise of a Chinese competitor. Li argues that the U.S.-centric capitalist world system will be replaced within the next few decades by an Asia-centered world order.[111] Wallerstein has predicted that the U.S.-centered system will not survive into the second half of the twenty-first century.[112] In Arrighi's analysis, world capitalism experiences long waves in its development, which he calls systemic cycles of accumulation. These cycles have played out in four "long centuries" since 1400, each associated with a hegemonic center—from the Italian city states to the Netherlands, followed by Britain and then the United States, and now shifting towards China. Each hegemon goes through a period of ascent involving material expansion followed by a decline characterized by financialization in the center.[113] Hegemonic stability theory developed by international relations scholars last century argued similarly that the international system remains stable when there is a single dominant world power or hegemon, but then becomes destabilized in the transition from one hegemon to another.[114] These comparative historical approaches are of

limited utility in understanding the trajectory of the current crisis. No new nation-state power could supply the political authority to stabilize the now-inextricably integrated global system even if the model of Chinese capitalism discussed below were to become generalized, much less to reverse the ecological meltdown. The breakdown of the political organization of world capitalism is not the cause but the consequence of contradictions internal to a globally integrated system of capital accumulation.

V
CONTESTED FUTURES

The capitalist system is by its nature expansionary. Cycles of crisis are followed by waves of expansion. In each earlier structural crisis, the system went through a new round of *extensive* (outward) expansion, that is, incorporation of new territories and populations into it—from waves of colonial conquest in earlier centuries, to the integration in the late twentieth and early twenty-first centuries of the former socialist bloc countries, China, India, the Third World revolutionary regimes, and other areas that had been marginally outside the system. There are very few territories and peoples around the world that have yet to be incorporated through this process of extensive expansion. Backed by authoritarian states, the TCC continues its predatory conquest in these places, such as stretches of the Indian countryside, witness in recent years to a massive wave of proletarianization as an agribusiness invasion threatens to do away with one of the last great bastions of peasant agriculture,[115] or Amazonia and Central Africa, where there are still pockets of local village life and subsistence communities. We are moving towards an historic situation in which virtually the entire world's population is subject to the formal, if not real, subsumption by capital. Meanwhile, global capital has been ruthlessly pursuing *intensive* expansion: the commodification of what were non-commodified spheres, such as health and educational systems, infrastructure and other public services, public lands and nature reserves, military and police forces, prisons, and most recently, outer space.

Could we see a different type of intensive expansion in which digital technologies drive a sharp rise in productivity and open up new opportunities for accumulation in the productive economy while redistributive and regulatory reforms increase aggregate global demand? The capitalist state, in its attempt to secure legitimacy and assure the reproduction of the social order as a whole, can and often does impose

restraint on capital or push the process of capital accumulation in certain directions. Earlier waves of capitalist modernization in the wake of structural crises involved the class compromises of social democracy and state intervention to regulate the market. Capitalist globalization undercut the national states' ability to capture and redistribute surpluses domestically and brought an end to redistributive nation-state capitalism. Any viable reform project at this time would have to involve *transnational* mechanisms of regulation and redistribution. Such a project would have to be global since capital can flee from any national jurisdiction that imposes restraint on its freedom, and even at that, it would eventually run up against the same contradictions internal to capitalism that undermined the Keynesian model in the twentieth century.

Or could there be another model of capitalism beyond neo-Keynesianism? China's incorporation into global capitalism over the past four decades may have provided the last great frontier for the extensive expansion of the system. Moreover, in the first two decades of the twenty-first century, China led the world in a surge of outward foreign direct investment to countries in the Global South and North alike, deepening transnational integration and accelerating capitalist transformation. Between 1991 and 2003, China's foreign direct investment increased tenfold, and then increased 13.7 times from 2004 to 2013, from $45 billion to $613 billion.[116] The global economy became particularly dependent on China, given its vast worldwide chains of subcontracting and outsourcing and the central role that China plays in those chains. Able to take advantage of a vast supply of cheap labor controlled by a repressive state, China has provided a market for transnational corporations and a sink for surplus accumulated capital. The country registered double-digit growth rates for much of the period from 1980 to 2008—over 14 percent in 2007. Rapid state-led development lifted several hundred million people out of poverty and largely eradicated extreme poverty. But its growth rates experienced a secular decline from 2010 to 2020, registering 5.95 percent onward in 2019 before taking a nose dive with the onset of the coronavirus pandemic.[117] Chinese capitalism now shows many of the telltale structural signs of crisis: a hypertrophied financial sector, including banking assets that ballooned to some $50 trillion in 2021, not including shadow finance; a runaway spiral

of household and corporate debt that went from 178 percent of GDP in 2010 to 287 percent in 2021; overcapacity; a slowdown in growth rates; and social polarization.[118]

The Chinese state capitalist model rests on a complex of state-private companies. More than 130,000 state-private joint ventures represented a third of all registered capital in the country in 2019.[119] Capitalism with Chinese characteristics has involved the rise of a powerful Chinese TCC contingent, fused with a state-party elite dependent on the reproduction of capital, and superrich and high-consumption middle classes, fueled by a devastating wave of primitive accumulation in the countryside and the escalating exploitation of hundreds of millions of Chinese workers who are now at the cutting edge of labor struggles worldwide. Yet China may represent the future of global capitalism. Chinese state capitalism has not followed the neoliberal route to transnational capitalist integration. The state plays a key role in the financial system, in regulating private capital (which accounts for three-fifths of output and four-fifths of urban employment[120]), in massive public expenditure, especially in infrastructure, and in planning. This has allowed it to develop twenty-first century infrastructure, to undertake cutting edge Research & Development, and to guide capital accumulation into aims broader than that of immediate profit making—something that the Western capitalist states have not been able to accomplish in recent decades due to the more thorough subordination of the state to private capital and the rollback of public sectors, privatization, and deregulation that has entailed. Does the Chinese model of capitalism offer some solution to the crisis? The return to an interventionist capitalist state around the world along the lines of the Chinese model may make more effective the demands placed on states elsewhere by popular and leftist struggles from below.

But even as China has served as the anchor of globalization in recent decades, the generalization of its model cannot be accomplished by China or any one set of national state managers even if they wished to do so. Beyond transnational policy coordination among states, the structural power that the TCC and the global financial markets are able to exercise over states from above will surely undermine reform unless there is a mass counter-mobilization of power from below that drives a wedge between the

state and capital, even if the state remains a capitalist state. It is only this mass mobilization from below that can pose a counterweight to the control that transnational capital and the global market exercise from above over capitalist states around the world. The New Deal and social democracy in the twentieth century came about as a result of the clash between mass struggles for radical change from below and the efforts of reformists from above to bring about a more limited change in order to save capitalism from itself and from revolution.

Infighting among the ruling groups may present opportunities for the popular classes to build broad political alliances. Can mass upheaval now tip the balance in favor of reforms that help bring about a renewed hegemony of productive over speculative financial capital and restabilize the system? Are we headed for a new period of reform and stability, a revolutionary rupture with capitalism, fascist dictatorships, or a collapse of global civilization—in the words of *The Communist Manifesto*, towards "the common ruin of the contending classes?" I do not claim to have the answer to these questions precisely because the future depends on a host of political and subjective factors that make prediction difficult, if not impossible. A number of social scientists, some of whom I discussed above, have predicted that capitalism will not last into the second half of the twenty-first century.[121] But capitalism as a world system has proved remarkably resilient even as it has faced one crisis after another in its centuries-long existence, emerging renewed after each major crisis. It would be foolish to assume we are presently in the end game of global capitalism. The outcome is entirely contingent on how class struggles and politics play out.

We want to recall that even if a new period of digitally driven expansion displaces the structural crisis temporally into the future, global capitalism will continue to generate social crises of survival and well-being for billions of people. Total global household wealth reached an astounding $418 trillion in 2019, according to Credit Suisse, up from $117.9 trillion in 2000, for a global per capita income of $80,000.[122] The world has never known such wealth. In the midst of the social and economic turmoil caused by the coronavirus pandemic, the global capitalist system minted 5.2 million new millionaires, bringing the worldwide total to 56.1 million

millionaires.[123] Yet given the extreme concentration of this wealth worldwide, 50 percent of all people live on less than $2.50 a day and a full 80 percent live on less than $10 per day. One in three people on the planet suffer from some form of malnutrition, nearly a billion go to bed hungry each night and another two billion suffer from food insecurity. Refugees from war, climate change, political repression and economic collapse already number into the hundreds of millions as social fabrics are torn apart and whole communities collapse in peripheral areas. The new round of digitally driven restructuring may turbo-charge the economy enough to usher in a period of rising profits and prosperity for the system as a whole even as millions—billions—sink into greater precariousness and desolation.

Putting aside the structural and political dimensions of the crisis, even the best-case scenario for global capitalism, in which digitally driven restructuring and state intervention in markets and the circuits of transnational capital accumulation unleash a new round of productive expansion, the ecological crisis makes it very questionable that capitalism can continue to reproduce itself as a global system. Civilizations have collapsed throughout history when they have been unable to resolve through transcendence the contradictions that eventually come to tear them apart.[124] Collapse has involved environmental crises in the past. But this time around civilization is global and collapse would be global. Never before has crisis and collapse involved such matters as human-induced climate emergencies and mass extinction.

The new epoch in planetary history known as the Anthropocene highlights what Marx referred to as a *metabolic rift* between human society and natural systems—in the words of Marxist ecological theorist John Foster and his colleagues, "a potentially fatal ecological rift emanating from the conflicts and contradictions of the modern capitalist society."[125] Sociologist Jason Moore and his colleagues refer to this rift as the Capitalocene rather than the Anthropocene, observing that capitalist social relations are not external to the environment but internal to the larger "web of life." This ontological approach that identifies "humanity in nature" and "nature in humanity" moves beyond the Cartesian dualism of "nature and society." It is this dualism as a strategy of accumulation that sets up nature as external to capital and to "man," and therefore regards it as a dumping

ground for externalizing the tremendous human and material costs of capital accumulation.[126] Capitalism commodifies both nature and labor (which is a natural activity) and therefore instrumentalizes both in service of accumulation. When we reference the violence inflicted on nature, we must recall that humans are part of nature, and when we reference the commodification of nature, we also mean the commodification of the labor (labor power) of *humans as nature*.

The 2021 United Nations Intergovernmental Panel on Climate Change (IPCC) report—eight years in the making—issued a "code red" for climate change.[127] It affirmed that it is "unequivocally" caused by human activities, which are causing "rapid climate change unprecedented in thousands of years," and that some changes are now "inevitable and irreversible." Human-induced climate change is "already affecting many weather and climate extremes in every region across the globe," including extreme heatwaves and fire events, heavy precipitation and devastating floods, droughts, tropical cyclones, melting polar ice and glaciers, a rapid rise in sea levels, and ocean acidification. Climate change may have received the most attention, but it is far from the only threat to humanity and all life on our planet. More than 75 percent of global food crops depend on pollination by animals. The narrow range of plant and animal species that humans eat depend on a much greater diversity of animals, plants, and bacteria. Writing in the journal *Nature*, Barnosky and his colleagues reported in 2011 that ninety percent of all known species were headed towards extinction and millions have already gone extinct.[128] Even short of a mass extinction, which would be the sixth in planetary history, the loss of biodiversity threatens to undermine the fragile ecosystems needed for agriculture and animal husbandry on a scale needed to feed billions of people. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services warned in a 2019 report that at least nine percent of the 6,200 breeds of domesticated mammals that humans eat, or use to produce food, had already become extinct by 2016 and at least one thousand more were under threat.[129] The collapse of world agriculture together with climate change that makes major portions of the world uninhabitable would lead to mass death on a scale unprecedented in human history.

The United Nations High Commission on Refugees warned in 2021 that more than 20 million people are forced each year to leave their homes due to extreme weather events.[130] A 2020 study by the U.S. National Academy of Sciences predicted that for every additional one-degree centigrade rise in the average global climate a billion people will be forced to abandon their locations and to endure insufferable heat. The report warned that areas that are home to one third of the world's population will experience the same temperature as the hottest parts of the Sahara within 50 years.[131] Drawing on UN data, a widely-cited 2021 report by the Institute for Economics and Peace estimates that people living in 151 countries face exposure to destabilizing ecological threats, and that 1.2 billion people living in 31 high risk countries, largely in South Asia, Sub-Sahara Africa, and the Middle East and North Africa, could become climate refugees by 2050 as the climate crisis generates water and food shortages, greater exposure to natural disasters, and temperatures too hot for human existence.[132]

So great is this threat to the biosphere and to life itself that even some among the mainstream have been moved to call out capitalism. A 2021 report published by 17 prominent scientists from around the world did not mince words. "The scale of the threat to the biosphere and all its lifeforms —including humanity—is in fact so great that it is difficult to grasp for even well-informed experts." The report went on to warn that "the gravity of the situation requires fundamental changes to global capitalism," including "the abolition of perpetual economic growth, properly pricing externalities, a rapid exit from fossil-fuel use, strict regulation of markets and property acquisition, reining in corporate lobbying, and the empowerment of women."[133] However, this is precisely the rub: the *abolition of perpetual economic growth can only be achieved by the abolition of capitalism* since, *by definition*, capitalism is based on the endless accumulation of capital, that is, on endless growth.

As the collapse of whole regions approaches, the ruling groups will tighten systems of transnational containment against the wretched of the earth, escalating military control over migrants and refugees, as they ratchet up the global police state. Already by 2018 there were no fewer than sixty-three physical walls build by states worldwide to keep in or lock out

unwanted or rebellious populations and more are under construction.[134] Can global capitalism become such a fortress that the global elite and a narrow stratum of intellectual and technical workers are able to flourish behind the ironclad walls of a global police state, with tightly controlled flows of labor and resources from the mass of humanity to the privileged few?

If the ecological crisis threatens the survival of billions of people, is it necessarily a crisis *for capital*? That is, can the capitalist system survive a meltdown of the ecosystem even as many or even most people do not? Indeed, can it turn climate change into new opportunities for accumulation, such as the system has already done through the creation of a "carbon market." The challenge for the TCC is how to make "green" capitalism as profitable as fossil fuel capitalism. Renewable energy, electrified mass transportation, low carbon footprint houses and building and other technologies aimed at achieving zero emissions could potentially become widespread under a capitalist system pressured by radical mass movements toward radical reform. This may slow down the destruction of the ecosystem but there are finite limits to the biosphere. The planetary ecosystem on which human civilization is based is breaking down under the impact of global capital accumulation, suggesting that *any new phase of global capitalist expansion would be catastrophic in itself*. At some point it will become impossible for the system to reproduce itself as the biosphere collapses.

The crisis of global capitalism, hence, is existential for humanity *and* for capitalism. If humanity is to survive there is no alternative other than to overthrow global capitalism, that is, to replace the imperative of accumulation at all costs with a system based on social need and in harmony with the rest of nature (which is to also say, in social harmony amongst ourselves, for we are part of nature). However, the tempos of economic crisis and ecological collapse diverge insofar as a collapse of the planetary ecosystem may take decades or centuries, should it not be averted by mass action and revolution against capitalism, whereas ongoing economic turbulence and more financial collapses such as that of 2008 followed by new rounds of expansion are likely to occur in the next years or decades. The capitalist class and privileged strata of humanity may be able to survive collapse for decades to come, but there is eventually a terminal

point as mass extinction and the radical alteration of the natural environment make life for our species and most others impossible. Capital can only blindly subordinate all else to endless accumulation, to the total commodification of everything. Our survival in the long run will not be secured by appealing to the good sense of capital. An ecosocialist revolution against capital is our only hope of survival. Ecosocialism is predicated on a fundamental proposition: achieving ecological equilibrium and an environment favorable to life is incompatible with capitalism's expansive and destructive logic. A non-ecological socialism is a dead end, and a nonsocialist ecology cannot confront the present ecological crisis.[135]

But how to get to an ecosocialism? Short of overthrowing the system, the only way out of the social crisis for the mass of humanity is a reversal of escalating inequalities through a radical redistribution of wealth and power downward and through drastic environmental measures. The challenge for emancipatory struggles is how to translate mass revolt into a project that can challenge the power of global capital and bring about such a radical redistribution. To date, the global revolt has spread unevenly and faces many challenges, including fragmentation, absorption by capitalist culture, and for the most part, the lack of a coherent left ideology envisioning a transformative project beyond immediate demands. A number of these struggles, moreover, have suffered setbacks, such as the Greek working-class movement and, tragically, the Arab spring. How can the TCC and its increasingly reckless rule be confronted from below? What type of a transformation is viable, and how can it be achieved? Victories in popular struggles from below in any one country or region can and often do become diverted and even undone by the structural power of transnational capital and the direct political, military and ideological domination that this structural power affords the dominant groups, especially as they operate through the powerful states of the Global North. Nation-states act as population containment zones that allow the TCC to sustain a system of differential wages and thrust the working classes in each country into competition with one another. If it is to challenge this structural power of transnational capital, any emancipatory project would have to be transnational in the content of its program and its strategies of struggle.

As the crisis has deepened there has been a rapid political polarization in global society between an insurgent left and an insurgent authoritarian far-right tinged with populist rhetoric, and at whose fringes are outright fascist projects. Fascism as a particular response to capitalist crisis seeks to rescue capitalism from its organic crisis by violently restoring capital accumulation, establishing new forms of state legitimacy, and repressing threats from below unencumbered by democratic constraints. Twenty-first century fascist movements appeal to workers from dominant racial, ethnic, or national groups who have been abandoned by capital and the liberal elite, and whose stability and security have been undermined by the crisis. The failure of the institutional and party left to cohere in many countries around the world into a viable alternative to capitalist depredations—this despite the proliferation of mass social movements and escalating class struggle—has opened up space for this fascist appeal.[136] Fascism may keep a lid mass rebellion, at least for a time, but it cannot offer a long-run program to resolve the crisis of global capitalism.[137]

Given the stakes involved, are reformist struggles futile? All to the contrary, any rupture with global capitalism must gain force through efforts to bring about reform of a more radical nature than those pushed from above. A Green New Deal, a call first put out in the United States, proposes combining sweeping green policies, including an end to fossil fuels, with a social welfare and pro-worker economy that would include mass employment opportunities in green energy and other technologies.[138] Such a global Green New Deal, whether or not that is what it is called, may help lift the world out of economic depression as it simultaneously addresses the climate emergency and generates more favorable conditions for an accumulation of counter-hegemonic forces. But a global Green New Deal is not enough. The corporate and political elite has already seized upon this very concept in order to legitimate the oxymoron of "green capitalism" and to neutralize more radical demands for system change through the dangerous illusion that somehow capitalism can be made ecofriendly and "sustainable."[139] If humanity is to survive, global capitalism must ultimately be overthrown and replaced by an ecosocialist system. An ecosocialist alternative is not at odds with a struggle for global reform; a

more fundamental break with global capitalism would most likely snowball out of efforts to bring about a reform of the capitalist system.

Let us conclude by returning to the question posed by the title of this work: can global capitalism endure? Clearly, it cannot, indefinitely. But it may well endure for some time into the future. The burning question is, can the mass of humanity, with the global working class in the lead, do away with the system before it brings us to the point of no return? The ruling classes are decadent and will be unable to establish a stable hegemony: polarization is too acute to bring enough of the subordinated masses into a new hegemonic bloc. But the future is not predetermined; it remains to be made. How can we turn the crisis into an opportunity to reconstruct emancipatory projects, to envision a post-capitalist world and to break free of the deadening weight of capitalist ideology and bourgeois illusion? The literary critic and philosopher, Frederic Jameson, once observed that "It is easier to imagine the end of the world than it is to imagine the end of capitalism."[140] But if we do not imagine the end of capitalism—and act on that imagination—we may well be facing the end of the world. Our survival requires that we wage a *battle for political power;* to wrest power from the TCC and its political, bureaucratic and military agents before it is too late.

POSTSCRIPT
Ukraine and the Crisis of Global Capitalism

The course of history proceeds in ways that often do not conform to our most reasoned forecasts. We can identify the underlying properties and structural logic of a given social order, its cycles and secular trends, the general direction in which change is moving. We prognosticate based on such considerations in combination with our logical inquiry and empirical study. But world-historic events tend to burst onto the scene in ways that defy our predictions or our expectations. Such events are those that mark a before-and-after turning point: they influence the entire world and reshape the course of history. Over the past century, such events included, among others, the Bolshevik Revolution of 1917, the two world wars, the attack on the World Trade Towers in New York City on September 11, 2001, and the so-called Great Reset that ruling groups imposed on the world in the name of fighting the COVID-19 contagion.

The risk in discussing contemporary events as they unfold in a book is that they will have already become history, and new events will have transpired, by the time the study reaches its readers. Yet it is worth asking, could the Russian invasion of Ukraine, launched in late February 2022, a reckless and condemnable act by any standard, turn out to be a world-historic event? It seemed to have almost immediately brought to the surface all of the contradictions of a global capitalism mired in intractable crisis. The invasion and its immediate aftermath greatly accelerated the crisis tendencies already underway, more so than I could have imagined when I finished the main text of this work at the start of 2022. While it would be foolish for me to venture predictions on how the conflict in Ukraine will play out moving forward, some things are already clear.

The invasion and the unprecedented economic sanctions imposed on Russia by the United States, with much of the EU and several countries in Asia following suit, were nothing short of all-out economic warfare that

promise to have long-term impacts that further destabilize the global financial system and splinter the world economy. If autarky in the age of globalization is not possible, the forced removal of Russia from global markets and finance had reverberations throughout the entire world economy, given the level of transnational integration and interdependence. The sanctions disrupted trade with one of the world's powerhouse suppliers of key commodities, especially energy, sending commodities prices surging and throwing markets into turmoil. A spike in oil and gas prices, in particular, aggravated the general inflationary spiral that was already underway. The invasion and subsequent sanctions interrupted wheat and other grain exports from Russia and Ukraine, respectively, the first and fifth biggest exporters in the world. Combined with the dependency of industrial agriculture on petroleum-based fertilizers, the result was a spike in food prices around the world, leading the BBC to declare that the war was "catastrophic for global food" and *The Economist* to warn that it will spread hunger in the Middle East and Africa.[141]

We are at the onset of a radical reconfiguration of global geopolitical alignments to the drumbeat of escalating economic turbulence that will feed new political upheavals and violent conflicts. As I discussed in the preceding work, the political and economic architecture of the post-WWII international order was already crumbling prior to the Ukraine crisis. I predicted that we would see the creation of an alternative to the dollar-based SWIFT system of international payments, which will have huge international political consequences because it will further push the world economy away from dollar denomination and erode the international political control that dollar denomination affords to the U.S. Sure enough, a new Russia-China payment system that bypasses SWIFT emerged in the immediate aftermath of the invasion, combining Russia's SPSF (System for Transfer of Financial Messages) with China's CIPS (Cross-Border Interbank Payment System).[142] Should this system become consolidated it would offer countries around the world the option of joining it while also operating within SWIFT, thus accelerating the shift towards political and economic multipolarity—albeit, *within* a single, integrated global economy that would have multiple and mutually dependent zones of core accumulation in competition.

The Ukraine conflict paved the way for a more sweeping militarization of what was already a global war economy. U.S. officials were keenly aware that the drive to expand NATO to Russian borders would eventually push Moscow into a military conflict. The RAND corporation, a Pentagon-affiliated think tank, explained U.S. goals in a 2019 study, stating: "We examine a wide range of nonviolent measures that could exploit Russia's actual vulnerabilities and anxieties as a way of stressing Russia's military and economy and the regime's political standing at home and abroad. The steps we examine would not have either defense or deterrence as their prime purpose." The report went on: "Rather, these steps are conceived of as elements in a campaign designed to unbalance the adversary, leading Russia to compete in domains or regions where the United States has a competitive advantage and causing Russia to overextend itself militarily or economically."[143]

But the provocation could not be reduced to geopolitical competition, as most observers were keen to do. Missing from the larger picture was the centrality of militarized accumulation—of endless low and high-intensity warfare, simmering conflicts, civil strife and policing—to the global political economy. As I noted earlier in the study, wars provide critical economic stimulus. They have historically pulled the capitalist system out of accumulation crises while they serve to deflect attention from political tensions and problems of legitimacy. Cycles of destruction and reconstruction provide ongoing outlets for overaccumulated capital. In 2021 the U.S. government approved a nearly $800 billion military budget even as, in the same year, it brought to an end the war in Afghanistan. Almost overnight following the Russian invasion, the U.S., EU and other governments allocated billions of dollars in additional military spending and sent streams of military hardware and private military contractors into Ukraine. Shares of military and security firms surged in the wake of the Russian invasion. Two weeks into the conflict, shares of Raytheon were up 8 percent, General Dynamics up 12 percent, Lockheed Martin up 18 percent, and Northrop Grumman up 22 percent, while war stocks in Europe, India, and elsewhere experienced similar surges in expectation of an exponential rise in global military spending.[144] If such bursts of militarized accumulation help offset the overaccumulation crisis further into the future,

they are also high-risk bets that heighten worldwide tensions and push the world dangerously towards all-out international conflagration.

As this book goes to press, events are unfolding too rapidly to venture a prediction as to where this will all lead. While it is hard to imagine a return to the status quo ante-bellum, we can affirm with certainty that, in the larger picture, the Ukraine crisis is not the cause but a consequence of the general crisis of global capitalism that I analyzed in this work. That crisis will only get worse. Fasten your seat belts; it will get much worse.

William I. Robinson
Los Angeles
12 March 2022

ENDNOTES

FOREWORD

1 By a relation of life-making I refer to a view of the human unified with nature, of human history as co-produced. See the references in the next endnote for detailed discussion, where I elaborate on a view of capitalist civilization (such as it is) as not just a series of spatial regimes, as is the conventional view, but as "natural" ones. In other words, this is more than a story about after-the-fact "environmental" consequences of capital. Instead of asking what capitalism does to nature, we may begin to ask how nature works for capitalism.

2 Jason W. Moore, *Capitalism in the Web of Life* (London: Verso, 2015); Raj Patel and Jason W. Moore, *A History of the World in Seven Cheap Things* (Berkeley: University of California Press, 2017). Several hundred essays and books in the world-ecology conversation can be found here: https://www.academia.edu/Documents/in/World-Ecology. Many of my essays can be accessed freely on my website, https://jasonwmoore.com.

3 See the World Economic Forum's website dedicated to the Great Reset, https://www.weforum.org/great-reset/.

4 Karl Marx, *Capital*, Vol. I (New York: Vintage, 1977), 638.

5 Naomi Klein, *The Shock Doctrine* (New York: Macmillan, 2007).

6 Jason W. Moore, "Del gran abaratamiento a la gran implosión: Clase, clima y la Gran Frontera," *Relaciones Internacionales*, 47 (2021), 11–52; idem, Opiates of the Environmentalists? Anthropocene Illusions, Planetary Management & The Capitalocene Alternative, *Abstrakt* (November, 2021).

7 Reflecting the colonial gaze, Joseph Conrad writes in *The Heart of Darkness*: "All their [the Africans] meagre breasts panted together, the violently dilated nostrils quivered, the eyes stared stonily uphill. They passed me within six inches, without a glance, with that complete, deathlike indifference of unhappy savages."

8 Claudia von Werlhof, "On the concept of nature and society in capitalism," in M. Mies, et al., eds., *Women: The Last Colony*. London: Zed, 1988), 96–112.

9 A.D. Barnosky, et al., "Approaching a state shift in Earth's biosphere," *Nature* 486(7401, 2012), 52–58.

10 Marten Scheffer, et al., "Catastrophic shifts in ecosystems," *Nature* 413 (6856, 2001), 591–596, quotation 591.

11 Tyler Cowen, *The Great Stagnation* (New York: Penguin, 2011).

12 Jason W. Moore, "Empire, class and the origins of planetary crisis: the transition debate in the web of life," *Esboços: histórias em contextos globais* 28(2021), 740–763; Emmanuel Le Roy Ladurie and Valerie Daux, "The climate in Burgundy and elsewhere, from the fourteenth to the twentieth century," *Interdisciplinary Science Reviews* 33(1, 2008), 10–24.

13 Jason W. Moore, "The Capitalocene and Planetary Justice," *Maize* 6 (2019), 49–54.

14 I and my colleagues have developed at considerable length the concept of the Biotariat (see in particular, my *Capitalism in the Web of Life*). The Biotariate is the share of planetary life (not

restricted to humans) put to work by capital and empire, through the case nexus (e.g., factory farms) and appropriated through violence, law and other extra-economic measures (e.g. Amazonian forest clearance).

15 The following paragraphs draw on Moore, *Capitalism in the Web of Life* and "Del gran abaratamiento a la gran implosión."

PREFACE

16 Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper and Row, 1942).

17 https://www.amazon.com/Time-Magazine-July-Capitalism-Survive/dp/B000LCWKA0/.

18 A good introduction to Marxist approaches to crises is James O'Connor, *The Meaning of Crisis: A Theoretical Introduction* (New York: Basil Blackwell, 1987). While written over three decades ago the essential discussion is not outdated. A more challenging read that I have found most useful is David Harvey, *The Limits of Capital* (London: Verso, 2006, updated edition).

19 See Kees van de Pijl's brilliantly researched and thoroughly frightening study, *States of Emergency: Keeping the Global Population in Check* (Atlanta: Clarity Press, 2022). See also William I. Robinson, *Global Civil War: Capitalism Post-Pandemic* (Oakland: PM Press, 2022).

20 Hadas Their, *A People's Guide to Capitalism: An Introduction to Marxist Economics* (Chicago: Haymarket, 2020). There is a public Facebook blog page, "Marxist Crisis Theory" (https://www.facebook.com/groups/457920714226660) where one may find hundreds of posts, from news items to academic articles to book reviews, on Marxist discussions around crisis.

21 Michael Roberts, *The Long Depression: How it Happened, Why it Happened, and What Happens Next* (Chicago: Haymarket, 2016). See also, among others, Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World* (New York: Penguin, 2018); Chris Harman, *Zombie Capitalism: Global Crisis and the Relevance of Marx* (Chicago: Haymarket, 2009).

I. THE STRUCTURAL DIMENSION OF GLOBAL CRISIS

22 See, inter alia, William I. Robinson: *Global Capitalism and the Crisis of Humanity* (New York: Cambridge University Press, 2014); *The Global Police State* (London: Pluto, 2020B); *Global Civil War*.

23 See van de Pijl, *States of Emergency*; Robinson, *Global Civil War*.

24 It must be stressed that redistribution and regulation were forced on capital by working class and popular struggles *against the resistance of capital*. Capital would fight back relentlessly against concessions extracted by these struggles. Through globalization from the 1980s and on, capital was able to revert the correlation of social and class forces that had been brought about by the mass struggles of the Great Depression era and of the 1960s and early 1970s. And of course, income redistribution is not wealth redistribution. Enshrined in the very constitution of capitalism is the freedom and the "right" of capital to exploit labor. Capital and the capitalist state fight back, tooth and nail, against any attempt at wealth redistribution, against any effort to alter underlying property (class) relations.

25 The reader will note that I employ the terms "nation-state", "state" and "national state" throughout the text. These terms are all related but distinct. Interested readers can find detailed discussion on the meaning, distinction, and specificity of each one in my earlier works, in particular, in the three works listed in the following endnote.

26 On the TCC and globalization processes, see inter alia, William I. Robinson: *A Theory of Global Capitalism: Production, Class, and State in a Transnational World* (Baltimore: Johns Hopkins University Press, 2004); *Latin America and Global Capitalism* (Baltimore: Johns Hopkins University Press, 2008); *Global Capitalism and the Crisis of Humanity* (New York: Cambridge University Press, 2014).

27 *The Economist*, "The New Order of Trade," 9 October 2021, p. 3.

28 Organization for Economic Cooperation and Development (OECD), "Trade in Intermediate Goods and International Supply Chains in CEFTA, CEFTA Issues Paper 6, 2013, accessed on 7 December 2021 at. And despite claims to "deglobalization," global trade reached an all-time high in 2021, as reported by the United Nations Commission on Trade and Development (see "Global Trade Update," May 2021, accessed on 7 December 2021 at https://unctad.org/system/files/official-document/ditcinf2021d2_en.pdf).

29 *Financial Times*, as cited by Joseph Choona, *Unravelling Capitalism* (London: Bookmarks Pubs, 2009), 120.

30 Economist Michael Roberts presented a wealth of data on this decline from multiple sources in *The Long Depression: How It Happened, Why It Happened, and What Happens Next* (Chicago: Haymarket, 2016). For the decline in the growth of the net stock of capital, see the graph on p. 241.

31 As quoted in Joseph Choonara, *Unravelling Capitalism*, p. 66.

32 See Roberts, *The Long Depression*, chapter one, "The Causes of Depression."

33 Oxfam, *Wealth: Having it all and wanting more*, 2015, on line report accessed on 15 November 2021 at the Oxfam website, http://policy-practice.oxfam.org.uk/publications/wealth-having-it-all-and-wanting-more-338125

34 See Ronald W. Cox, "The Crisis of Capitalism Through Global Value Chains," *Class, Race and Corporate Power*, 7(1), 2019; Eric Toussaint, "No, the coronavirus is not responsible for the fall in stock prices," *MR Online*, 4 March 2020, accessed on 29 November 2021 at https://mronline.org/2020/03/04/no-the-coronavirus-is-not-responsible-for-the-fall-of-stock-prices/

35 *The Economist*, "The Problem with Profits," 26 May 2016, accessed on 29 November 2021 at https://www.economist.com/leaders/2016/03/26/the-problem-with-profits

36 *The Economist*, "Hanging Together," 16 May 2020, p. 60. It is important to note that this accumulation of uninvested profits is not the cause of overaccumulation crisis but the outcome.

37 Sydney Maki, "World's $281 Trillion Debt Pile Is Set to Rise Again in 2021," *Bloomberg*, 17 February 2021, accessed on 29 November 2021 at https://www.bloomberg.com/news/articles/2021-02-17/global-debt-hits-all-time-high-as-pandemic-boosts-spending-need

38 "To the possessor of money capital the process of production appears merely as an unavoidable intermediate link, as a necessary evil for the sake of money-making. All nations with a capitalist mode of production are therefore seized periodically by a feverish attempt to make money without the intervention of the process of production." Thus wrote Karl Marx in *Capital Volume II* (Moscow: Progress Publishers, 1971), p. 58.

39 Some of the works I have found useful in trying to understand finalization are, inter alia: Christina Marazzi, *The Violence of Financial Capital* (Bellinzona, Switzerland: Edizioni Casagrande, 2011); William K. Tabb, *The Restructuring of Capitalism in Our Time* (New York: Columbia University Press, 2012); Greta R. Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance* (Cambridge, MA: Harvard University Press, 2012); Cédric Durand, *Fictitious Capital: How Finance is Appropriating Our Future* (London: Verso, 2017); Nomi Prins, *Collusion* (New

York: Bold Type Books, 2019); Tooze, *Crashed: How a Decade of Financial Crises Changed the World*; Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism* (London: Verso, 2017). For my earlier analysis, see Robinson, *Global Capitalism and the Crisis of Humanity*, chapter four.

40 J. B. Maverick, "How Big is the Derivatives Market," *Investopedia*, 23 November 2021, accessed on 29 November 2021 at https://www.investopedia.com/ask/answers/052715/how-big-derivatives-market.asp. In his study *Fictitious Capital*, Durand reviews the growth of fictitious capital in the form of credit to the non-financial private sector, public debt, and the stock market. He observes (p. 65): "The different basic forms of fictitious capital combined to ensure that, overall, this category expanded across the whole period in question, including after the 2008 crisis. In other words, over the last three decades, the quantity of value validated in anticipation of future valorization processes has constantly increased relative to the quantity of wealth actually produced."

41 General Accounting Office (GAO), "Federal Reserve System: Opportunities Exist to Strengthen Policies and Processes for Managing Emergency Assistance" (Washington, D.C.: GAO-11-696, July 2011).

42 International Monetary Fund, "Fiscal Implications of the Global Economic and Financial Crisis," IMF Staff Position Note, 9 June 2009, accessed on 5 January 2022 at https://www.imf.org/external/pubs/ft/spn/2009/spn0913.pdf

43 *The Economist*, "Corporate Bail-Outs: Bottomless Pit, Inc.," 4 April 2020, p. 8.

44 *International Monetary Fund*, Policy Responses to COVID-19," April 2021, accessed on 29 November 2021 at https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19

II. GLOBAL PRODUCTION, CIRCULATION, AND APPROPRIATION OF VALUE

45 Neil Faulkner and Phil Hearse, "Value and Surplus Through a Neoliberal Lens: Notes Towards a New Understanding of Marxist Economics," *Anti-Capitalist Resistance*, January 2021, accessed on 29 November 2021 at https://www.anticapitalistresistance.org/post/value-and-surplus-through-a-neoliberal-lens-notes-towards-a-new-understanding-of-marxist-economics

46 The labor theory of value was advanced prior to Marx by David Ricardo. Marx explained that the labor theory of value to which he adhered was inadequate to advance our understanding of why (how) capitalists appropriate surplus value and profit. To explain this, he developed the theory of surplus value.

47 For my extended discussion on these matters, see Robinson, *Global Capitalism and the Crisis of Humanity*, chapter 4.

48 Faulkner and Hearse, "Value and Surplus…"

49 See, inter alia, Immanuel Wallerstein, *Historical Capitalism* (London: Verso, 1983).

50 Gary Gereffi and Miguel Korzeniewicz, *Commodity Chains and Global Capitalism* (New York: Praeger, 1993).

51 Donald A. Clelland, "The Core of Apple: Degrees of Monopoly and Dark Value in Global Commodity Chains," *Journal of World-Systems Research*, 2014, 20(1).

52 Let us recall that the world capitalist system is a heterogeneous political space. Market (economic) compulsion is mediated by state (political) coercion, without which the production and circulation of capital could not function. The global economy as a political space is the arena in which the subsumption of labor under capital takes place, and where anti-capitalist resistance and contestation takes place, with the local/national as particular sites of the global. Thanks to Hilbourn Watson for raising this point.

53 See, inter alia: Robinson, *A Theory of Global Capitalism*; Robinson, *Global Capitalism and the Crisis of Humanity*; William I. Robinson and Jeb Sprague, "The Transnational Capitalist Class," in Mark Juergensmeyer, Saskia Sassen, and Manfred Steger, eds. *Oxford Handbook of Global Studies* (New York: Oxford University Press, 2018); Peter Phillips, *Giants: The Global Power Elite* (New York: Seven Stories Press, 2018). I have critiqued at great length elsewhere the nation-state centrism of extant approaches to world capitalism. Others have also noted the conceptual and methodological problems with approaches that privilege—indeed, reify—territory or geography. In a similar vein, Liam Campling and Alejandro Colas coined the term "terracentrism" (*Capitalism and the Sea: The Maritime Factor in the Making of the Modern World*, London, Verso, 2021). John Agnew evokes the expression "territorial trap" and "geographical determinism" to capture the conceptual and methodological problem associated with making history the servant of geography, which introduces a false dichotomy between place and space. See, inter alia, John Agnew, *Globalization and Sovereignty: Beyond the Territorial Trap*, second edition (Lanham: Rowman & Littlefield Publishers, 2017).

54 Phillips, *Giants*, p. 35. It should be noted that the vast majority of political economists take nation-state data as the basis for analysis. I have shown the limitations of such an approach elsewhere (see Robinson, *A Theory of Global Capitalism*, and Robinson, *Global Capitalism and the Crisis of Humanity*). For instance, Roberts, in *The Long Depression*, compares rates of profits in different countries even though the rate of profit must take into account that each commodity is produced in numerous locations across the globe, so that any determination of some average rate of profit in a particular territory must take into account the rate of profit in every territory in which the inputs and intermediate goods for any commodity were produced.

55 As cited in Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World* (New York: Penguin, 2019), p. 9.

56 Ronald W. Cox, "Transnational Capital and the Politics of Global Supply Chains," *Class, Race, and Corporate Power*, 1(1), 2013.

57 Nathan Reiff, "Top Apple Shareholders," *Investopedia*, 6 February 2021, accessed on 29 November 2021 at https://www.investopedia.com/articles/markets/120115/top-5-apple-shareholders.asp

58 Reiff, Nathan, "How BlackRock Makes Money," Investopedia, 27 February 2021, accessed on 29 November 2021 at https://www.investopedia.com/articles/markets/012616/how-blackrock-makes-money.asp

59 Philips, *Giants*.

60 This data is from MarketScreener, accessed here on 29 November 2021: https://www.marketscreener.com/quote/stock/BLACKROCK-INC-11862/company/

61 See, e.g., the Wellington page at Wikipedia, https://en.wikipedia.org/wiki/Wellington_Management_Company

62 Reiff, "How BlackRock Makes Money."

63 Stephen Maher and Scott M. Aquanno, "The New Finance Capital: Corporate Governance, Financial Power and the State," *Critical Sociology*, on-line edition, 2021, https://journals.sagepub.com/doi/full/10.1177/0896920521994170

64 Ibid.

65 Krippner, *Capitalizing on Crisis*; Durand, *Fictitious Capital*. In *The Long Depression* (p. 67), Roberts reports that the portion of corporate profits going to the financial sector rose from 10 percent in 1980 to 40 percent in 2007.

66 João Romeiro Hermeto, "Social Transformation in a Time of Social Disruption," *Dilemas: Revista de Estudos de Conflito e Controle Social*, 14(1), 2021.

67 Durand, *Fictitious Capital*, p. 55.

68 Tooze, *Crashed*.

69 There are historical precedents for such a closure. Fernand Braudel noted that the expansion of financial capitalism in Europe from 1830 to 1860 eventually led to the acceleration of industrial production. Rudolph Hilferding made a similar argument in his analysis of how finance capital triggered German industrial expansion in the late nineteenth and early twentieth centuries. As discussed by Durand, *Fictitious Capital*, pp. 4–5.

70 Durand, *Fictitious Capital*, p. 1.

III. THE SECOND INFORMATION AGE

71 The discussion in this section draws heavily on William I. Robinson, *Global Civil War: Capitalism Post-Pandemic* (Oakland: PM Press, 2022).

72 The French Regulation and the Social Structures of Accumulation schools have developed similar if not identical theoretical frameworks for understanding this restructuring in longer cycles or waves. See: Robert Boyer, *The Regulation School: A Critical Introduction* (New York: Columbia University Press, 1990); David M. Kotz, Terrence McDonough, and Michael Reich (eds.), *Social Structures of Accumulation: The Political Economy of Growth and Crisis* (Cambridge: Cambridge University Press, 1994). Both these approaches focus on how sets of social, political, and cultural institutions come together to structure and stabilize distinct patterns of capital accumulation that emerge historically through class struggles and crises. Fordism, for instance, would be seen as one such "regime" or social structure of accumulation.

73 Carlota Perez, *Technological Revolutions and Finance Capital: The Dynamics of Bubbles and Golden Ages* (Northampton, MA: Edward Elgar, 2003).

74 Manuel Castells, *The Rise of the Network Society*, Volume I (Hoboken: Wiley-Blackwell, 1996).

75 There is a rapidly growing body of literature on these new technologies and the restructuring it is bringing about. See, inter alia: Eric Brynjolfsson and Andrew McAfee, *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies* (New York: W.W. Norton, 2014); Martin Ford, *The Rise of the Robots* (New York: Basic Books, 2015); Klaus Schwab, *The Fourth Industrial Revolution* (Geneva: World Economic Forum, 2016); Nick Srnicek, *Platform Capitalism* (London: Polity Press, 2016); *Foreign Affairs, The Fourth Industrial Revolution: A Davos Reader*, published by *Foreign Affairs*, no specific editor, no indicated place or year of publication (the book is a collection of essays previously published in *Foreign Affairs* that appear to have been written in the 2010s); United Nations Conference on Trade and Development (UNCTAD), *Digital Economy Report 2019* (UNCTAD: Geneva, 2019); Shoshona Zuboff, *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power* (New York: Public Affairs, 2019). See William I. Robinson, *Global Civil War: Capitalism Post-Pandemic* (Oakland: PM Press, 2022) for my own extended discussion on digitalization and global capitalist restructuring, on which the discussion here draws heavily.

76 UNCTAD, *Digital Economy Report 2019*.

77 Klaus Schwab and Thierry Malleret, *COVID-19: The Great Reset* (Geneva: Forum Publishing, 2020), p. 27, and the 5.2 billion figure is from p. 165.

78 Thomas Marois, "TiSA and the Threat to Public Banks," 21 April 2017, *Transnational Institute*, accessed on 30 November 2021 at https://www.tni.org/en/publication/tisa-and-the-threat-to-

public-banks

79 Robinson, *Global Civil War*.

80 For the multiple sources for the data in this paragraph, see Robinson, *Global Civil War*.

81 Federal Reserve Bank of St. Louis, *Economic Research*, "Private Fixed Investment in Information Processing Equipment and Software," see continuously updated data in graph, U.S. Bureau of Economic Analysis, accessed on 30 November 2021 at https://fred.stlouisfed.org/series/A679RC1Q027SBEA

82 Brynjolfsson and McAfee, *The Second Machine Age*, pp. 100–101.

83 The average growth of output per worker in the United States was 2.3 percent a year between 1891 and 1972. It was just 1.4 percent a year between 1972 and 1996, and 1.3 percent between 2004 and 2012, although it recovered historical levels between 1996 and 2004, corresponding roughly to the period in which computer and information technologies became generalized in industry and services. See Marin Wolf, "Same as It Ever Was: Why the Techno-Optimists Are Wrong," in *The Fourth Industrial Revolution: A Davos Reader* (Davos: Foreign Affairs, undated but contents suggest a mid-2010s publication date), pp. 117–118.

84 Duncan Kauffman, Diaan-Yi Lin, Kevin Sneader, Oliver Tonby, and Jonathan Woetzel, "Overcoming Global Turbulence to Reawaken Economic Growth," McKinsey&Company, September 2016, accessed on 30 November 2021 at https://www.mckinsey.com/~/media/mckinsey/featured%20insights/employment%20and%20growth/overcoming%20global%20turbulence%20to%20reawaken%20economic%20growth/overcoming-global-turbulence-to-reawaken-economic-growth.pdf

85 *CBinsights*, Research Brief, "Where Top US Banks Are Betting on Fintech," 20 August 2019, accessed on 30 November 2021 at https://www.cbinsights.com/research/fintech-investments-top-us-banks/

86 See, inter alia, Jeremy Rifkin, *The Third Industrial Revolution: How Lateral Power is Transforming Energy, The Economy, and the World* (New York: St. Martin's Griffin, 2011). Even as all available evidence points to exactly the opposite, Rifkin, a business consultant for corporations and governments, lives in a fantasy world, insisting that "a more distributed and collaborative industrial revolution" is leading to "a more distributed sharing of the wealth generated," and that in this new revolution "self-interest is subsumed by shared interest" (p. 115).

87 For discussion, see Robinson, *The Global Police State*.

88 For discussion, see Robinson, *Global Civil War*.

89 This phrase was originally coined by Mike Davis, in *Planet of Slums* (London: Verso, 2007).

90 Robinson, *The Global Police State*.

IV. THE GENERAL CRISIS OF CAPITALIST RULE

91 Mark John, "Capitalism seen doing 'more harm than good' in global survey," *Reuters*, 19 January 2020, accessed on 30 November 2021 at https://www.reuters.com/article/us-davos-meeting-trust/capitalism-seen-doing-more-harm-than-good-in-global-survey-idUSKBN1ZJ0CW

92 I do not normally cite *Wikipedia* but one entry has perhaps the most comprehensive list of major protests in the twenty-first century with links to original or other sources: https://en.wikipedia.org/wiki/List_of_protests_in_the_21st_century

93 Carnegie Endowment for International Piece, "Global Protest Tracker," accessed on 10 December 2021 at https://carnegieendowment.org/publications/interactive/protest-tracker. The

tracker is interactive and regularly updated.

94 For a survey and discussion of the global revolt and the challenges that it faces, see Robinson, *Global Civil War*.

95 William I. Robinson, *The Global Police State*; Transnational Institute (TNI), "State of Power 2021," (Amsterdam: TNI, 16 May 2021), accessed on 1 December 2021 at https://www.tni.org/en/publication/state-of-power-2021

96 See, for instance, the two books by former World Bank Vice President Joseph Stiglitz, *Globalization and its Discontents* (New York: WW Norton, 2003), and *Globalization and its Discontents Revisited: Anti-Globalization in the Era of Trump* (New York: WW Norton, 2017).

97 See, e.g, Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangtarides, "Redistribution, Inequality, and Growth," IMF Staff Discussion Note, International Monetary Fund, February 2014, accessed on 4 December 2021 at https://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf

98 William I. Robinson, "Capitalism in the Twenty-First Century: Global Inequality, Piketty, and the Transnational Capitalist Class," in Lauren Langman and David A. Smith (eds.), *Twenty-First Century Inequality and Capitalism: Piketty, Marx and Beyond* (Boston: Brill, 2018).

99 Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge: Harvard University Press, 2017).

100 Graison Dangor, "G20 Signs Off On 15% Global Minimum Corporate Tax—Here's How It Will Work," *Forbes*, 11 July 2021, accessed on 30 November 2021 at https://www.forbes.com/sites/graisondangor/2021/07/11/g20-signs-off-on-15-global-minimum-corporate-tax-heres-how-it-will-work/?sh=160870b21c7e

101 They point in particular to programs across the Global South such as *Bolsa Familia*, first introduced in the early 2000s by the Workers Party government in Brazil as a cash transfer to poor families, or to the National Rural Employment Guarantee Act (RNEGA) in India, the Minimum Livelihood Guarantee in China, and the Child Support Grant in South Africa. Kevan Harris and Ben Scully, "A Hidden Counter-Movement? Precarity, Politics, and Social Protection Before and Beyond the Neoliberal Era," *Theory and Society*, 2015, 44(5), 415–444. They perceive these programs as a progressive Polanyian counter-movement to the deepening of global neoliberalism. It is true that before 1990 there were fewer than 20 flagship social assistance programs (major cash transfer/basic income redistribution programs for the poor) in low and medium income countries, whereas by 2012 there were at least 150 major social assistance programs in operation across the Global South, benefitting at minimum one billion people. While many of these programs have been popular and have helped poor families to survive, the aim of such *assistencialism* from above in my view is to demobilize struggles for a change in property and power relations, to depoliticize and incorporate constituencies into the hegemonic order.

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103 Ibid, p. 16

104 Ibid, pp. 22–23.

105 Hewlett Foundation, "Hewlett Foundation Announces New, Five-Year $50 Million Economy and Society Initiative to Support Growing Movement to Replace Neoliberalism," Hewlett Foundation press release, 8 December 2020, accessed on 30 November 2021 at https://hewlett.org/newsroom/hewlett-foundation-announces-new-five-year-50-million-economy-and-society-initiative-to-support-growing-movement-to-replace-neoliberalism/

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110 Bulletin of the Atomic Scientists, "This Is Your COVD Wake-Up Call" It is 100 Seconds to Midnight," 2021, accessed on 8 December 2021 at https://thebulletin.org/doomsday-clock/current-time/

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112 P. Schouten, "Theory Talk #13: Immanuel Wallerstein on World-Systems, The Imminent End of Capitalism and Unifying Social Science," *Theory Talks*, 2008, accessed on 10 December 2021 at https://iwallerstein.com/wp-content/uploads/docs/THYTLK13.PDF

113 Giovanni Arrighi, *The Long Twentieth Century; Money, Power, and the Origins of Our Times* (London: Verso, 1994).

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V. CONTESTED FUTURES

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117 See World Bank, "GDP Growth (Annual %)—China," accessed on 10 December 2021 at https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN

118 For these figures, see "Bail-Outs and Bedlam," *The Econo*mist, 25 September 2021, p. 12.

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120 Keith Bradsher, China's Economy is Slowing, A Worrying Sign for the World," *New York Times*, 17 January 2022, https://www.nytimes.com/2022/01/16/business/economy/china-economy.html

121 See, for instance, Li, *The Rise of China and the Demise of the Capitalist World Economy*. The late great sociologist Immanuel Wallerstein predicted that world capitalism would not last into the second half of the twenty-first century. See P. Schouten, "Theory Talk #13: Immanuel Wallerstein on World-Systems, The Imminent End of Capitalism and Unifying Social Science," *Theory Talks*, 2008, accessed on 10 December 2021 at https://iwallerstein.com/wp-content/uploads/docs/THYTLK13.PDF

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129 IPBES, "Global Assessment Report on Biodiversity and Ecosystem Services," 2019, accessed on 28 December 2021 at https://ipbes.net/global-assessment

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134 Ainhoa Ruiz Benedicto, Mark Akkerman, and Pere Brunet, "A Walled World: Towards a Global Apartheid," Barcelona, *Transnational Institute*, November 2020, accessed on 23 January 2021 at https://www.tni.org/files/publication-downloads/informe46_walledwolrd_centredelas_tni_stopwapenhandel_stopthewall_eng_def.pdf. See also "Global Climate Wall," report by the Transnational Institute, 25 October 2021, on the militarization of borders to keep out climate refugees. Accessed on 29 December 2021 at https://www.tni.org/en/publication/global-climate-wall

135 Michael Lowy, *Ecosocialism: A Radical Alternative to Capitalism* (Chicago: Haymarket Books, 2015).

136 For my analysis of twenty-first century fascism, see William I. Robinson, "Global Capitalist Crisis and Twenty-First Century Fascism: Beyond the Trump Hype," *Science & Society*, 83(2), 2019. On the rise of neo-fascist movements in many of these countries at the turn of the century in Europe, see, inter alia, Robert O. Paxon's study *The Anatomy of Fascism* (New York" Vintage Books, 2004). In the second decade of the 21st century and especially concurrent with Trump's election in the United States, these and new far-right and neo-fascist movements experienced an upsurge, often winning seats in national legislatures. These include the Freedom Party in Austria, the National Front in France, New Dawn in Greece, Alternative for Germany in Germany, the Jobbik Party (Movement for a Better Hungary) and also the Fidesz party of Prime Minister Viktor Orban in Hungary, Slovakia's People's Party-Our Slovakia, Holland's Party for Freedom, Forza Nuova in Italy (although the Northern League is far-right but could not, I believe, be

characterized as extreme right/neo-fascist). See, e.g., Tancredi Marini, "Neo-Fascist and Far-Right: Conquering Europe," BlogActiv/EU-Logos, 12 April 2017, accessed on May 21 at https://eulogos.blogactiv.eu/2017/12/04/neo-fascists-and-far-right-conquering-europe/. Very useful also is Nick Robins-Early and Willa Frej, "A Guide to the Far-Right Power Players Tearing Europe Apart," *Huffington Post*, 25 August 2018, accessed on 29 May 2019 at https://www.huffpost.com/entry/guide-far-right-players-europe_n_5b7bf18ee4b0a5b1febee47a

137 Much of the TCC does not, in fact, support a fascist project at this time. To the contrary, fascist movements have gained traction by mobilizing populations aggrieved by the depredations of capitalist globalization. The TCC is wracked by fierce competition, conflicting pressures, and differences over the tactics and strategy of maintaining class domination and addressing the crises and contradictions of global capitalism. As I have noted, mounting crises of state legitimacy have heightened the splits and infighting within the ruling groups, and in part, the strongmen and fascists have won popularity because their populist discourse has resonated with masses of people in the face of the legitimacy crisis. However, should the global revolt reach a point where it comes to threaten the very rule of capital, the TCC may be more willing to turn to fascism to maintain control.

138 See, inter alia, Noam Chomsky and Robert Pollin, *Climate Crisis and the Global Green New Deal: The Political Economy of Saving the Planet* (London: Verso, 2020), and for a well-argued critique of the mainstreaming of a Green New Deal, see Max Aji, *A People's Green New Deal* (London: Pluto, 2021).

139 See Max Aji, ibid.

140 Frederic Jameson, "Future City," *New Left Review*, 21, May-June 2003, as cited in Paul Mason, *Why It's Kicking Off Everywhere: The New Global Revolutions* (London: Verso, 2012), 27.

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141 Emma Simpson, "Ukraine War 'Catastrophic for Global Food'," *BBC News*, 7 March 2022, accessed on 12 March 2022 at https://www.bbc.com/news/business-60623941; *The Economist*, "How the Invasion Will Spread Hunger in the Middle East and Africa," 12 March 2022, accessed on 12 March 2022 at https://www.economist.com/middle-east-and-africa/how-the-invasion-of-ukraine-will-spread-hunger-in-the-middle-east-and-africa/21808072;

142 Pepe Escobar, "Follow the Money: How Russia Will Bypass Western Economic Warfare," *The Cradle*,1 March 2022, accessed on 12 March 2022 at https://thecradle.co/Article/columns/7385

143 James Dobbins et. Al, "Extending Russia: Competing from Advantageous Ground," The Rand Corporation, 2019, https://www.rand.org/pubs/research_reports/RR3063.html. This summary page provides a link to the full report.

144 Sergei Kiebnikov, "War Stocks Are Surging As Russia-Ukraine Conflicts Rages On: Lockheed Martin, Northrop Up 20%," *Forbes*, 4 March 2022, accessed on 12 March 2022 at https://www.forbes.com/sites/sergeiklebnikov/2022/03/04/war-stocks-are-surging-as-russia-ukraine-conflict-rages-on-lockheed-martin-northrop-up-20/?sh=26fe902c43f0; Asit Manohar, "Russia-Ukraine War: Defence Spending to Surge. Experts Bullish on These Stocks," *Mint*, 2 March 2022, accessed on 12 March 2022 at https://www.livemint.com/market/stock-market-news/russiaukraine-war-defence-spending-to-surge-experts-bullish-on-these-stocks-11646209657963.html; Edward Helmore, "Defense and Cybersecurity Stocks Climb Amid Russia's Invasion of Ukraine," *The Guardian*, 28 February 2022, accessed on 12 March 2022 at https://www.theguardian.com/business/2022/feb/28/defense-cybersecurity-stocks-russia-ukraine-eu.

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